

THE MARIHUANA TAXING BILL

MAY 11, 1937.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. DOUGHERON, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 6906]

The Committee on Ways and Means, to whom was referred the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H. R. 6906 is to employ the Federal taxing power to raise revenue from the marihuana drug traffic and to discourage the widespread use of the drug by smokers and drug addicts.

Extensive public hearings were held on this measure. It appears that marihuana is a dangerous drug found in the flowering tops, leaves, and seeds of the hemp plant. The drug is used only to a negligible extent by the medical profession, but the plant has many industrial uses. From the mature stalks fiber is produced which, in turn, is manufactured into twine. From the seeds, oil is extracted, which is used in the manufacture of such products as paint, varnish, linoleum, and soap. From hemp-seed cake, the residue of the seed after the oil has been extracted, cattle feed and fertilizer are manufactured. In addition, the seed is used as a special feed for pigeons.

Marihuana is also used illicitly by smoking it in crudely prepared cigarettes, which are readily procurable in almost all parts of the country at prices ranging from 10 to 25 cents each. Under the influence of this drug the will is destroyed and all power of directing and controlling thought is lost. Inhibitions are released. As a result of these effects, it appeared from testimony produced at the hearings that many violent crimes have been and are being committed

by persons under the influence of this drug. Not only is marihuana used by hardened criminals to steel them to commit violent crimes, but it is also being placed in the hands of high-school children in the form of marihuana cigarettes by unscrupulous peddlers. Cases were cited at the hearings of school children who have been driven to crime and insanity through the use of this drug. Its continued use results in many times in impotency and insanity.

The extent of the traffic in this drug is indicated by the fact that during 1935, 195 tons of marihuana destined for illicit use were seized and destroyed by State authorities under State laws. The seriousness of the problem is also emphasized by the fact that newspapers in over 100 cities in the country have reported the illicit use of marihuana within the communities which they serve.

Two objectives have dictated the form of H. R. 6906, first, the development of a plan of taxation which will raise revenue and at the same time render extremely difficult the acquisition of marihuana by persons who desire it for illicit uses, and second, the development of an adequate means of publicizing dealings in marihuana in order to tax and control the traffic effectively.

This bill is modeled upon both the Harrison Narcotic Act and the National Firearms Act, which were designed to accomplish these same general objectives with respect to opium and coca leaves, and firearms, respectively.

Under its provisions all legitimate handlers of marihuana are required to pay occupational taxes as follows: Manufacturers, com-pounders and importers, \$24 per year; producers, \$5 per year; dealers, \$3 per year; practitioners (doctors, dentists, veterinarians, and others of like character), and persons who use marihuana for experimental purposes, \$1 per year. These persons, in addition to paying the occupational tax, must register with the collector of internal revenue and file information returns as to their dealings in marihuana.

Moreover, as an additional means of bringing the traffic in marihuana into the open, the bill requires all transfers of marihuana to be made in pursuance of official order forms issued by the Secretary of the Treasury, upon which the details of the transaction are set forth. In order to raise additional revenue and to prevent transfers to persons who would use marihuana for undesirable purposes, a transfer tax is imposed upon each transfer of marihuana. Upon transfers to registered persons, this tax is \$1 per ounce, while, upon transfers to nonregistered persons, who under ordinary circumstances will be the illicit users of marihuana, a heavy tax of \$100 per ounce is imposed. Heavy criminal penalties are provided for manufacturing, producing, or dealing in marihuana without registering and paying the special taxes, for transferring marihuana not in pursuance of an order form, and for acquiring marihuana without payment of the transfer tax.

Thus, the bill is designed, through the occupational tax, to publicize legitimate dealings in marihuana and through the \$100 transfer tax to prevent the drug from coming into the hands of those who will put it into illicit uses.

CONSTITUTIONALITY OF THE BILL

Your committee has examined the constitutionality of this bill and is satisfied that it is a valid revenue measure. The law is well settled that a revenue measure will not be held invalid as an attempt to regu-

late, under the guise of the taxing power, a subject matter reserved to the States under the tenth amendment, if it appears on its face to be a revenue measure and contains no regulatory provisions except those reasonably related to the collection of the revenue.

The regulatory features of the bill fall within this rule. The Supreme Court has upheld on this basis the similar order form and registry requirements of the Harrison Act (*United States v. Doremus*, (1919) 249 U. S. 86; *Nigro v. United States* (1928), 276 U. S. 332) and, in the present term of court, has sustained the similar registration provisions of the National Firearms Act (*Sonzinsky v. United States* (1937) 57 S. Ct. 554).

The law is also settled that Congress has the power to enact a tax which is so heavy as to discourage the transactions or activities taxed and that the prohibitive character of the excise is not alone sufficient to authorize a court to go behind the face of the legislation in an attempt to discern motives other than the raising of revenue which may have impelled Congress to enact the statute. Thus, in *Veazie Bank v. Fenno* (1869) (8 Wall. 533), the Supreme Court upheld a prohibitive tax of 10 percent upon the circulating notes of State banks, which Congress had imposed with the purpose of driving such notes out of existence and which fully effectuated this purpose. In *Lee Mow Lin v. United States* (C. C. A. 8th, 1918) (250 Fed. 694), a prohibitive tax of \$300 per pound upon the manufacture of smoking opium was upheld. Again, in *McCray v. United States* (1904) (195 U. S. 27), the Supreme Court held constitutional a law which taxed colored oleomargarine at the prohibitive rate of 10 cents per pound but levied only a ¼ cent per pound tax upon uncolored oleomargarine. These cases sustain the \$100 tax imposed by this bill upon transfers of marihuana to unregistered persons.

Finally, it is well established that in order to uphold a tax with classified rates under the due-process clause of the fifth amendment of the Constitution, the varying rates need be based only upon some reasonable difference in the subjects taxed. Thus, the Supreme Court found a sufficiently reasonable difference between colored and uncolored oleomargarine in the *McCray case*, *supra*, to justify the imposition of a 10-cents-per-pound tax upon the former type, with but a one-fourth-cent-per-pound imposition upon the latter type. The Court pointed out that since yellow oleomargarine was likely to deceive the public into buying it as butter, there was sufficient difference between the two subjects to justify taxing them differently. Obviously, by analogy, there is sufficient difference between a transfer of marihuana to those who will use it for legitimate purposes and a transfer to those who may use it for purposes harmful to the public health and morals, to justify a \$1 transfer tax with respect to the former and a \$100 transfer tax in the case of the latter.

In addition, certain provisions of the bill may be sustained under the power of Congress to regulate commerce and under the power of Congress over the District of Columbia and the Territories and possessions of the United States.

ANALYSIS OF THE BILL

Section 1: This section defines the important terms used in the bill, notably "marihuana" and "producer." The term "marihuana" is defined so as to bring within its scope all parts of the plant having the

harmful drug ingredient, but so as to exclude the parts of the plant and the valuable industrial articles produced therefrom in which the drug is not present. The term "producer" is defined so as to include not only one who actively fosters the growth of marihuana but also a person who harvests and transfers or makes uses of marihuana which has grown wild. Those on whose land the plant grows wild, however, are not included unless they harvest and transfer or make use of it.

Section 2: This section levies an occupational tax upon persons who deal with marihuana and requires them to register with the collector of internal revenue.

Section 3: This section exempts employees of registered persons, acting within the scope of their employment, and Government officers who handle marihuana in the course of their official duties from payment of the occupational tax and registration with the collector of internal revenue.

Section 4: This section makes it criminal to engage in any activity with respect to marihuana for which registry and payment of the occupational tax imposed by section 2 are required, without having registered and paid the tax. The section also creates a presumption that a person is a producer and thus subject to the occupational tax and registry provisions of section 2, upon proof of the fact that marihuana is growing upon land under his control. Presumptions similar in principle have been sustained by the Supreme Court in *Yee Hem v. United States* (1925) (268 U. S. 178) and *Casey v. United States* (1928) (276 U. S. 413).

Section 5: This section makes it illegal to ship marihuana in interstate commerce or transport it within the Territories, possessions, the District of Columbia, or the Canal Zone without having registered and paid the occupational tax.

Section 6: This section makes it illegal to transfer marihuana, except in pursuance of a written order from the transferee, upon an official form obtained by him from the collector of internal revenue. This procedure need not be followed, however, in the following cases: Dispensations by registered practitioners in the course of their professional practice; transfers by druggists in good faith on prescription; export shipments; transfers to certain Federal, State, and local officials; and transfers of the seed to producers for the further production of marihuana and to manufacturers of birdseed, seed oil, seed cake, and products derived from such oil and cake.

Section 7: This section imposes a transfer tax upon all transfers required under section 6 to be carried out in pursuance of order forms. The tax is at the rate of \$1 per ounce or fraction thereof on transfers to persons registered under the act and at the rate of \$100 per ounce or fraction thereof on transfers to persons not registered under the act. The tax is to be paid by means of a stamp, by the transferee in the first instance, but if the transferee does not pay it, by the transferor.

Section 8: This section makes it illegal for a transferee required to pay the transfer tax imposed by section 7 to acquire marihuana without payment of the transfer tax. Proof of possession of marihuana and failure, after demand, to produce the duplicate order form which section 6 requires a transferee to retain is made presumptive evidence of a violation of this section. The authorities cited to sustain the presumption in section 4 are equally applicable here.

Section 9: This section provides for the forfeiture to the United States of contraband marihuana, which must be destroyed unless it can be used for Governmental purposes.

Section 10: This section requires persons liable for any tax under this bill to keep records and make returns under regulations prescribed by the Secretary of the Treasury. Since many of the taxpayers under this measure, such as practitioners, druggists, manufacturers and importers are also taxpayers under the Harrison Narcotic Act, the Secretary may, by regulation, permit them to keep records and make returns with respect to marihuana on the same forms used under the Harrison Act.

Section 11: This section authorizes officers and agents of the Treasury and State officers charged with the enforcement of State marihuana laws to examine the order forms and other records which are required under the bill to be preserved by taxpayers.

Section 12: This section prescribes a criminal penalty of not to exceed \$2,000 fine or 5 years' imprisonment, or both, for any violation of the bill.

Section 13: This section makes it unnecessary for the Government to allege in an indictment the fact that the defendant does not fall within any exemption prescribed in the act. The effect of this is to impose upon the defendant the duty to assert and establish his right to any exemption. The same provision is in the Harrison Act and thus has been in operation in criminal cases under that act for 23 years.

The section also places upon the defendant the duty of going forward with the evidence as to whether he has registered and paid the occupational tax or has effected a transfer of marihuana in pursuance of an order form.

Section 14: This section authorizes the Secretary of the Treasury to promulgate all necessary rules and regulations to carry out the provisions of the act, and to delegate to any officer or employee of the Treasury Department any of the functions conferred upon him by the act.

Section 15: This section defines the territorial scope of the act.

Section 16: This section contains the usual separability clause.

Section 17: This section sets forth the effective date of the act.

Section 18: This section contains the short title of the act.

mortgagees and the mortgagee or mortgagees invariably refused a composition or extension of time.

To remedy this, subsection (s), known as the Frazier-Lemke Act, was added. The original subsection (s) was held unconstitutional by the Supreme Court. The second subsection (s) was held constitutional by unanimous decision recently. But now that the act really functions, the time limit when the legislation will expire is close at hand, next March 3, 1938—less than 1 year.

In view of the splendid results that have already been shown since the Supreme Court's decision holding subsection (s) of section 75 constitutional, and in view of the fact that the time limit expires next March 3, we feel that this legislation should be made permanent.

It may be said that in practically every State in this Union this act is now conserving property for the benefit of both the debtors and the creditors. Under the terms and provisions of this law the farmers now act as the receivers under the supervision and control of the Court and there is no cost to such receivership. The farmer is given an opportunity for 3 years, by paying a reasonable rental, to become refinanced. The creditors lose nothing and the property values are maintained. We feel there is no reason or logic why this legislation should not be made permanent.

In conclusion we may state that some United States district courts and circuit court judges have expressed their opinion that this act conserves property and is just as much for the benefit of the creditors, if not more, than the debtors; that it is an act of conserving of values and not of wreckage. Under the provisions of subsection (s) of section 75, any farmer who is a bankrupt may be given a period of 3 years in which to refinance his indebtedness by placing all of his property, wherever located, under the jurisdiction of the United States district court. This 3-year stay is not absolute. If the farmer fails to pay the rental as fixed by the court, or fails to pay additional sums as ordered by the court, or commits waste, or permits the property to depreciate, or if he disobeys any order of the court, the court, in its discretion, may end the stay.

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Calendar No. 914

75TH CONGRESS }
1st Session }

SENATE

REPORT
No. 900

MARIHUANA TAXING BILL

JULY 15, 1937.—Ordered to be printed

Mr. BROWN of Michigan, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6906]

The Committee on Finance, to whom was referred the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording, having had the same under consideration, report it back to the Senate with amendments and recommend that the bill do pass.

The amendments proposed by your committee are as follows:

Page 2, line 6, insert after the word "plant," the following: "fiber produced from such stalks,".

Page 2, line 7, insert after the word "any" the word "other".

Page 2, line 9, insert after "therefrom," the word "fiber,".

These amendments specifically exclude from the definition of marihuana and, consequently, from the provision of the bill, fiber produced from the mature stalks of the hemp plant. Although as the definition is now drawn it would be extremely difficult to construe it to include fiber, out of an abundance of caution, the legitimate producers of hemp for fiber purposes wished the fiber produced by them to be specifically excluded from the provisions of the bill.

Page 3, line 9, strike out "\$5 per year" and insert in lieu thereof "\$1 per year, or fraction thereof during which they engage in such activity".

Page 4, line 6, strike out "(2)".

These amendments reduce the occupational tax imposed by the bill upon producers of marihuana from \$5 per year to \$1 per year. The legitimate producers of hemp appeared for the first time on this bill and testified as to the effect of the legislation upon the legitimate hemp industry. It appears that there are numerous very small hemp producers upon whom a \$5 tax would be burdensome. It

seems advisable, therefore, to reduce the occupational tax from \$5 to \$1 per year.

Page 6, line 10, insert after "District of Columbia," the word "or".
 Page 6, line 11, strike out "or the Canal Zone."
 Page 6, line 14, insert after "District of Columbia," the word "or".
 Page 6, line 15, strike out "or the Canal Zone".
 Page 8, line 10, insert after "District of Columbia," the word "or".
 Page 8, line 11, strike out "or the Canal Zone".
 Page 15, line 16, strike out "the Canal Zone."
 Page 16, line 1, strike out "Canal Zone and the".
 Page 16, line 5, strike out "Canal Zone and the".

These amendments eliminate the Panama Canal Zone entirely from the bill and are proposed at the behest of the Secretary of War. It appears that the Panama Canal Zone is kept under such close supervision by the Federal Government that the marihuana traffic in the zone can be adequately controlled at this time without additional legislation and that the administration of legislation such as this bill which is not specifically designed for application in the Canal Zone is difficult. It seems advisable, therefore, to eliminate the zone from the bill.

Page 8, line 25, strike out section 6 (b) (5) and insert in lieu thereof the following: "(5) To a transfer of any seeds of the plant Cannabis sativa L. to any person registered under section 2."

Under the present section 6 (b) (5), a producer may purchase seeds for the further production of the plant and a manufacturer, importer, or compounder may purchase seeds for the purpose of making birdseed or seed oil without paying the \$1 per ounce transfer tax and carrying out the transfer in pursuance of order forms, but a seed dealer cannot purchase seeds for resale for any of the above-mentioned purposes. Evidence was presented for the first time on this bill to the effect that there are numerous legitimate dealers in hempseed who act as middlemen between the producer of hempseed and those who use the seed for further production, for the manufacture of oil or for birdseed. Under the circumstances, your committee considers it advisable to provide for a tax-free transfer for such dealers.

PURPOSE OF THE BILL

The purpose of H. R. 6906 is to employ the Federal taxing power to raise revenue by imposing occupational and transfer taxes upon dealers in marihuana and to discourage the widespread use of the drug by smokers and drug addicts.

The flowering tops, leaves, and seeds of the hemp plant contain a dangerous drug known as marihuana. The drug is used only to a negligible extent by the medical profession. In fact, last year only 4 out of every 10,000 prescriptions contained marihuana. The drug is prescribed as a sedative but it is used very rarely by the medical profession because the effect of the drug is so variable that a physician cannot tell how his patient will react to the drug and because there are so many better substitutes.

The plant also has many industrial uses. From the mature stalks, fiber is produced which in turn is manufactured into twine, and other fiber products. From the seeds, oil is extracted which is used in the manufacture of such products as paint, varnish, linoleum, and soap.

From hempseed cake, the residue of the seed after the oil has been extracted, cattle feed and fertilizer are manufactured. In addition, the seed is used as special feed for pigeons.

Marihuana is also used illicitly by smoking it in crudely prepared cigarettes, which are readily procurable in almost all parts of the country at prices ranging from 10 to 25 cents each. Under the influence of this drug the will is destroyed and all power of directing and controlling thought is lost. Inhibitions are released. As a result of these effects, many violent crimes have been and are being committed by persons under the influence of this drug. Not only is marihuana used by hardened criminals to steel them to commit violent crimes, but it is also being placed in the hands of high-school children in the form of marihuana cigarettes by unscrupulous peddlers. Its continued use results many times in impotency and insanity.

Two objectives have dictated the form of H. R. 6906: First, the development of a plan of taxation which will raise revenue and at the same time render extremely difficult the acquisition of marihuana by persons who desire it for illicit uses and, second, the development of an adequate means of publicizing dealings in marihuana in order to tax and control the traffic effectively.

This bill is modeled upon both the Harrison Narcotic Act and the National Firearms Act, which were designed to accomplish these same general objectives with respect to opium and coca leaves, and firearms, respectively.

Under its provisions all legitimate handlers of marihuana are required to pay occupational taxes as follows: Manufacturers, compounders, and importers, \$24 per year; producers, \$1 per year; dealers, \$3 per year; practitioners (doctors, dentists, veterinaries, and others of like character), and persons who produce or use marihuana for experimental purposes, \$1 per year. These persons, in addition to paying the occupational tax, must register with the collector of internal revenue and file information returns as to their dealings in marihuana.

Moreover, as an additional means of bringing the traffic in marihuana into the open, the bill requires all transfers of marihuana to be made in pursuance of official order forms issued by the Secretary of the Treasury, upon which the details of the transaction are set forth. In order to raise additional revenue and to prevent transfers to persons who would use marihuana for undesirable purposes, a transfer tax is imposed upon each transfer of marihuana. Upon transfers to registered persons, this tax is \$1 per ounce, while, upon transfers to nonregistered persons, who under ordinary circumstances will be the illicit users of marihuana, a heavy tax of \$100 per ounce is imposed. Heavy criminal penalties are provided for manufacturing, producing, or dealing in marihuana without registering and paying the special taxes, for transferring marihuana not in pursuance of an order form, and for acquiring marihuana without payment of the transfer tax.

Thus, the bill is designed, through the occupational tax and the order-form procedure, to publicize legitimate dealings in marihuana and through the \$100 transfer tax to prevent the drug from coming into the hands of those who will put it to illicit uses.

The production and sale of hemp and its products for industrial purposes will not be adversely affected by the bill. In general, the term "marihuana" is defined in the bill so as to include only the flowering tops, leaves, and seeds of the hemp plant and to exclude the mature

stalk, oil, and meal obtained from the seeds of the plant, and sterilized seed, incapable of germination.

Under this definition of "marihuana" the hemp producer will pay a small occupational tax but his fiber products will be entirely exempt from the provisions of the bill, including the order form and transfer tax provisions. The same is true of seed produced by the hemp grower for sale for the further production of the plant, for the manufacture of oil or for birdseed, except that such transfers will be made subject to regulations designed to prevent diversion of the seed for illegal uses.

Similarly, the manufacturers of oil and the byproducts of seed, such as hempseed cake and meal, will pay an occupational tax, but their purchases of seed and sales of such oil, cake, and meal will be entirely exempt from the provisions of the bill except that purchases of such seed will be subject to regulations designed to prevent diversion. Manufacturers of birdseed will also pay an occupational tax, but their purchases of seed will be exempt from the transfer-tax and order-form provisions of the bill, if carried out in accordance with regulations. Further, under the definition of marihuana, the bill will not apply to their sales of birdseed, if the hempseed contained therein is sterilized so as to be incapable of germination.

ANALYSIS OF THE BILL

Section 1. This section defines the important terms used in the bill, notably "marihuana" and "producer." The term "marihuana" is defined so as to bring within its scope all parts of the plant having the harmful drug ingredient, but so as to exclude the parts of the plant in which the drug is not present. The testimony before the committee showed definitely that neither the mature stalk of the hemp plant nor the fiber produced therefrom contains any drug, narcotic, or harmful property whatsoever and because of that fact the fiber and mature stalk have been exempted from the operation of the law. The term "producer" is defined so as to include not only one who actively fosters the growth of marihuana but also a person who harvests and transfers or makes uses of marihuana which has grown wild. Those on whose land the plant grows wild, however, are not included unless they harvest and transfer or make use of it.

Section 2. This section levies an occupational tax upon persons who deal with marihuana and requires them to register with the collector of internal revenue.

Section 3. This section exempts employees of registered persons, acting within the scope of their employment, and Government officers who handle marihuana in the course of their official duties from payment of the occupational tax and registration with the collector of internal revenue.

Section 4. This section makes it criminal to engage in any activity with respect to marihuana for which registry and payment of the occupational tax imposed by section 2 are required, without having registered and paid the tax. The section also creates a presumption that a person is a producer and thus subject to the occupational tax and registry provisions of section 2, upon proof of the fact that marihuana is growing upon land under his control. Presumptions similar in principle have been sustained by the Supreme Court in *Yee Hem v.*

United States (1925) (268 U. S. 178) and *Casey v. United States* (1928) (276 U. S. 413).

Section 5. This section makes it illegal to ship marihuana in interstate commerce or transport it within the Territories, possessions, or the District of Columbia without having registered and paid the occupational tax.

Section 6. This section makes it illegal to transfer marihuana, except in pursuance of a written order from the transferee, upon an official form obtained by him from the collector of internal revenue. This procedure need not be followed, however, in the following cases: Dispensations by registered practitioners in the course of their professional practice; transfers by druggists in good faith on prescription; export shipments; transfers to certain Federal, State, and local officials; and transfers of the seed to persons registered under the Act.

Section 7. This section imposes a transfer tax upon all transfers required under section 6 to be carried out in pursuance of order forms. The tax is at the rate of \$1 per ounce or fraction thereof on transfers to persons registered under the act and at the rate of \$100 per ounce or fraction thereof on transfers to persons not registered under the act. The tax is to be paid by means of a stamp, by the transferee in the first instance, but if the transferee does not pay it, by the transferor.

Section 8. This section makes it illegal for a transferee required to pay the transfer tax imposed by section 7 to acquire marihuana without payment of the transfer tax. Proof of possession of marihuana and failure, after demand, to produce the duplicate order form which section 6 requires a transferee to retain is made presumptive evidence of a violation of this section. The authorities cited to sustain the presumption in section 4 are equally applicable here.

Section 9. This section provides for the forfeiture to the United States of contraband marihuana, which must be destroyed unless it can be used for governmental purposes.

Section 10. This section requires persons liable for any tax under this bill to keep records and make returns under regulations prescribed by the Secretary of the Treasury. Since many of the taxpayers under this measure, such as practitioners, druggists, manufacturers, and importers are also taxpayers under the Harrison Narcotic Act, the Secretary may, by regulation, permit them to keep records and make returns with respect to marihuana on the same forms used under the Harrison Act.

Section 11. This section authorizes officers and agents of the Treasury and State officers charged with the enforcement of State marihuana laws to examine the order forms and other records which are required under the bill to be preserved by taxpayers.

Section 12. This section prescribes a criminal penalty of not to exceed \$2,000 fine or 5 years' imprisonment, or both, for any violation of the bill.

Section 13. This section makes it unnecessary for the Government to allege in an indictment the fact that the defendant does not fall within any exemption prescribed in the act. The effect of this is to impose upon the defendant the duty to assert and establish his right to any exemption. The same provision is in the Harrison Act and thus has been in operation in criminal cases under that act for 23 years.

The section also places upon the defendant the duty of going forward with the evidence as to whether he has registered and paid

the occupational tax or has effected a transfer of marihuana in pursuance of an order form.

Section 14: This section authorizes the Secretary of the Treasury to promulgate all necessary rules and regulations to carry out the provisions of the act, and to delegate to any officer or employee of the Treasury Department any of the functions conferred upon him by the act.

Section 15: This section defines the territorial scope of the act.

Section 16: This section contains the usual separability clause.

Section 17: This section sets forth the effective date of the act.

Section 18: This section contains the short title of the act.

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AUTHORIZING AN ADDITIONAL APPROPRIATION FOR THE UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

JULY 22, 1937.—Ordered to be printed

Mr. VAN NUYS, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. J. Res. 363]

The Committee on the Judiciary, to whom was referred the resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission, after consideration thereof, report the resolution favorably with amendments and recommend that it do pass.

The amendments are as follows:

On page 2, line 9, after the word "thousand", strike out the following words "and five hundred"; and on page 2, after line 19, insert two new sections, as follows:

SEC. 11. Any funds heretofore or hereafter made available to the United States Constitution Sesquicentennial Commission for carrying out the functions imposed upon such Commission by or pursuant to law may be expended by the Commission for such objects and in such manner as the Commission may deem necessary and proper to accomplish the purposes of such functions without regard to the provisions of other laws or regulations relating to the expenditure of public funds except that this exemption shall not be construed as waiving the requirement for the submission of accounts and vouchers to the General Accounting Office for audit.

SEC. 12. The President is authorized to appoint a director general of such Commission who shall not be deemed an officer of the Government.

The first amendment was made because the sum necessary for the Commission to procure 2,500 copies of the booklet entitled "The Story of the Constitution", together with the enclosures for distribution by each Senator, Representative, and Delegate from a Territory, would be more than \$125,000, the sum intended to be used from the appropriation for this purpose. By reducing the allocation from 2,500 to 2,000 copies for each Senator, Representative, and Delegate, the Commission will be able to furnish the books without having to employ the use of the funds appropriated for the carrying out of the planned program of the Commission.

Section 11 was added because the Commission has found it necessary from time to time to adopt plans for the celebration not approved

75TH CONGRESS, 1ST SESSION

BEGINNING JANUARY 5, 1937

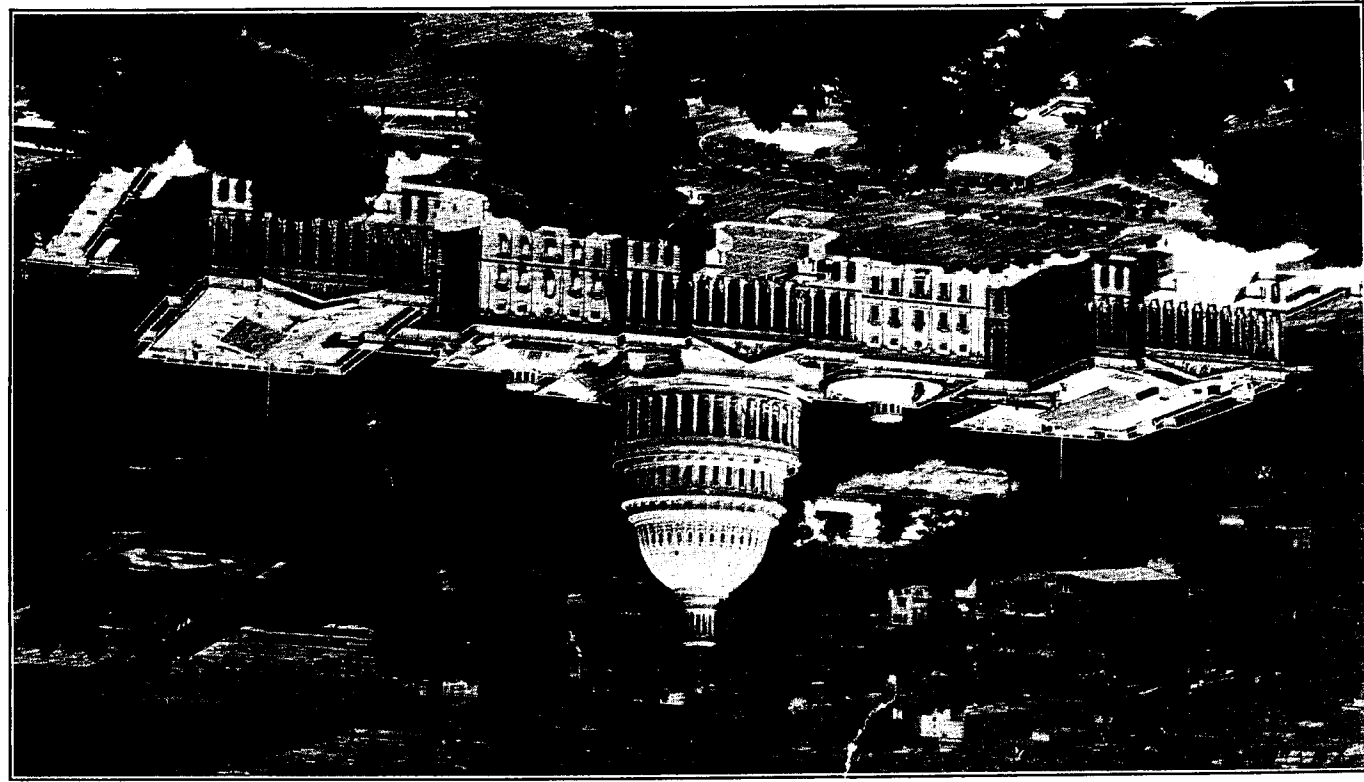
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Civil Service

William J. Bulow, of South Dakota.
 Kenneth McKellar, of Tennessee.
 Walter F. George, of Georgia.
 M. M. Logan, of Kentucky.
 Matthew M. Neely, of West Virginia.
 William H. Dieterich, of Illinois.
 Harry Flood Byrd, of Virginia.

Claims

Josiah W. Bailey, of North Carolina.
 Hugo L. Black, of Alabama.
 M. M. Logan, of Kentucky.
 Edward R. Burke, of Nebraska.
 Lewis B. Schwellenbach, of Washington.

Commerce

Royal S. Copeland, of New York.
 Morris Sheppard, of Texas.
 Josiah W. Bailey, of North Carolina.
 Hattie W. Caraway, of Arkansas.
 Bennett Champ Clark, of Missouri.
 John H. Overton, of Louisiana.
 Nathan L. Bachman, of Tennessee.
 Theodore G. Bilbo, of Mississippi.
 Vic Donahey, of Ohio.
 Joseph F. Guffey, of Pennsylvania.
 Francis T. Maloney, of Connecticut.
 George L. Radcliffe, of Maryland.

District of Columbia

William H. King, of Utah.
 Carter Glas, of Virginia.
 Royal S. Copeland, of New York.
 Millard E. Tydings, of Maryland.
 J. Hamilton Lewis, of Illinois.
 John H. Bankhead, 2d, of Alabama.
 Pat McCarran, of Nevada.
 Robert R. Reynolds, of North Carolina.
 Theodore G. Bilbo, of Mississippi.

Education and Labor

Hugo L. Black, of Alabama.
 Royal S. Copeland, of New York.
 David I. Walsh, of Massachusetts.
 Elbert D. Thomas, of Utah.
 James E. Murray, of Montana.
 Vic Donahey, of Ohio.
 Rush D. Holt, of West Virginia.

Enrolled Bills

Hattie W. Caraway, of Arkansas.
 Augustine Lonergan, of Connecticut.

Expenditures in the Executive Departments

J. Hamilton Lewis, of Illinois.
 Robert F. Wagner, of New York.
 Frederick Van Nuys, of Indiana.
 Key Pittman, of Nevada.
 Alben W. Barkley, of Kentucky.

Finance

Pat Harrison, of Mississippi.
 William H. King, of Utah.
 Walter F. George, of Georgia.
 David I. Walsh, of Massachusetts.
 Alben W. Barkley, of Kentucky.
 Tom Connally, of Texas.
 Josiah W. Bailey, of North Carolina.
 Bennett Champ Clark, of Missouri.
 Harry Flood Byrd, of Virginia.
 Augustine Lonergan, of Connecticut.
 Hugo L. Black, of Alabama.
 Peter G. Gerry, of Rhode Island.
 Joseph F. Guffey, of Pennsylvania.

Foreign Relations

Key Pittman, of Nevada.
 Joseph T. Robinson, of Arkansas.
 Pat Harrison, of Mississippi.
 Walter F. George, of Georgia.
 Hugo L. Black, of Alabama.
 Robert F. Wagner, of New York.
 Tom Connally, of Texas.
 J. Hamilton Lewis, of Illinois.
 Nathan L. Bachman, of Tennessee.
 Elbert D. Thomas, of Utah.
 Frederick Van Nuys, of Indiana.
 F. Ryan Duffy, of Wisconsin.
 James P. Pope, of Idaho.
 Robert J. Bulkley, of Ohio.
 James E. Murray, of Montana.
 Dennis Chavez, of New Mexico.

Immigration

William H. King, of Utah.
 Royal S. Copeland, of New York.
 George McGill, of Kansas.
 Richard B. Russell, Jr., of Georgia.
 Francis T. Maloney, of Connecticut.
 A. Harry Moore, of New Jersey.
 Lewis B. Schwellenbach, of Washington.
 Rush D. Holt, of West Virginia.

Indian Affairs

Elmer Thomas, of Oklahoma.
 Burton K. Wheeler, of Montana.
 Henry F. Ashurst, of Arizona.
 William J. Bulow, of South Dakota.
 Carl A. Hatch, of New Mexico.
 Joseph C. O'Mahoney, of Wyoming.
 Vic Donahey, of Ohio.
 Dennis Chavez, of New Mexico.

ROBERT M. LA FOLLETTE, JR., of Wisconsin.
 Arthur Capper, of Kansas.

William E. Borah, of Idaho.
 Hiram W. Johnson, of California.
 Arthur Capper, of Kansas.
 ROBERT M. LA FOLLETTE, JR., of Wisconsin.
 Arthur H. Vandenberg, of Michigan.
 Wallace H. White, Jr., of Maine.
 HENRIK SHIPSTEAD, of Minnesota.

Hiram W. Johnson, of California.
 Warren R. Austin, of Vermont.

HENRIK SHIPSTEAD, of Minnesota.

Lynn J. Frazier, of North Dakota.
 ROBERT M. LA FOLLETTE, JR., of Wisconsin.
 Frederick Steiwer, of Oregon.

Roads

Wilburn Cartwright, of Oklahoma.
 Lindsey C. Warren, of North Carolina.
 William M. Whittingham, of Mississippi.
 Wright Patman, of Texas.
 Thomas O'Malley, of Wisconsin.
 Monrad C. Wallgren, of Washington.
 J. W. Robinson, of Utah.
 Jennings Randolph, of West Virginia.
 Robert T. Secrest, of Ohio.
 Hugh Peterson, of Georgia.
 John L. McClellan, of Arkansas.
 Nat Patton, of Texas.
 Orville Zimmerman, of Missouri.

BERNARD J. GEHRMANN, of Wisconsin.

Rules

Joseph W. Martin, Jr., of Massachusetts.
 Carl E. Mapee, of Michigan.

John O'Connor, of New York.
 Adolph J. Sabath, of Illinois.
 Arthur H. Greenwood, of Indiana.
 E. E. Cox, of Georgia.
 William J. Driver, of Arkansas.
 Howard W. Smith, of Virginia.
 J. Bayard Clark, of North Carolina.
 Martin Dies, of Texas.
 Byron B. Harlan, of Ohio.
 Lawrence Lewis, of Colorado.

Territories

Robert A. Green, of Florida.
 John E. Rankin, of Mississippi.
 Eugene B. Crowe, of Indiana.
 Claude V. Parsons, of Illinois.
 Raymond J. Cannon, of Wisconsin.
 Thomas O'Malley, of Wisconsin.
 Charles R. Eckert, of Pennsylvania.
 Charles G. Biederup, of Nebraska.
 Hugh Peterson, of Georgia.
 John J. Dempsey, of New Mexico.
 Jack Nichols, of Oklahoma.
 Nat Patton, of Texas.

Anthony J. Dimond, of Alaska.

War Claims

Benjamin K. Focht, of Pennsylvania.
 Charles A. Plumley, of Vermont.
 Clare E. Hoffman, of Michigan.

Joseph A. Gavan, of New York.
 Alfred F. Beiter, of New York.
 Braswell Deen, of Georgia.
 Reuben T. Wood, of Missouri.
 Thomas O'Malley, of Wisconsin.
 Charles G. Biederup, of Nebraska.
 Edward J. Hart, of New Jersey.
 Sam C. Massingale, of Oklahoma.
 James H. Gildea, of Pennsylvania.

GEORGE J. SCHNEIDER, of Wisconsin.

Ways and Means

Robert L. Doughton, of North Carolina.
 Thomas H. Cullen, of New York.
 Christopher D. Sullivan, of New York.
 Morgan C. Sanders, of Texas.
 John W. McCormack, of Massachusetts.
 David J. Lewis, of Maryland.
 Fred M. Vinson, of Kentucky.
 Jere Cooper, of Tennessee.
 John W. Boehne, Jr., of Indiana.
 Claude A. Fuller, of Arkansas.
 Wesley E. Disney, of Oklahoma.
 Arthur P. Lamneck, of Ohio.
 Frank H. Buck, of California.
 Richard M. Duncan, of Missouri.
 Chester Thompson, of Illinois.
 John D. Dingell, of Michigan.

World War Veterans' Legislation

John E. Rankin, of Mississippi.
 Wm. P. Connery, Jr., of Massachusetts.
 Wright Patman, of Texas.
 Glenn Griswold, of Indiana.
 Joe Starnes, of Alabama.
 Joseph Gray, of Pennsylvania.
 Herron Pearson, of Tennessee.
 Charles A. Buckley, of New York.
 John M. Houston, of Kansas.

HARRY SAUTHOFF, of Wisconsin.

SELECT AND SPECIAL COMMITTEES OF THE HOUSE

Select Committee on Conservation of Wildlife Resources

Chairman.—A. Willis Robertson, Representative from Virginia.
 Marvin Jones, Representative from Texas.
 Schuyler Otis Bland, Representative from Virginia.
 Sam D. McReynolds, Representative from Tennessee.
 Lindsey C. Warren, Representative from North Carolina.
 Frank H. Buck, Representative from California.
 Claude V. Parsons, Representative from Illinois.
 Fred H. Hildebrandt, Representative from South Dakota.
 James P. Richards, Representative from South Carolina.
 [Vacant.]
 Albert E. Carter, Representative from California.
 Charles D. Millard, Representative from New York.
 August H. Andresen, Representative from Minnesota.
 Leo E. Allen, Representative from Illinois.
 [Vacant.]

Clerk.—Elizabeth Bond.

Special Committee to Investigate Old-Age-Pension Plans

Chairman.—C. Jasper Bell, Representative from Missouri.
 Scott W. Lucas, Representative from Illinois.
 Joseph A. Gavan, Representative from New York.
 John H. Tolan, Representative from California.
 J. William Ditter, Representative from Pennsylvania.
 Clare E. Hoffman, Representative from Michigan.
 [Vacant.]
 [Vacant.]
Clerk.—Vernon E. Moore.

and disposition of business on the Speaker's table, following consideration of the legislative program of that day.

The SPEAKER. Will the gentleman include in his request also the special orders of the day?

Mr. DICKSTEIN. And following the special orders heretofore made, Mr. Speaker.

Mr. SNELL. Mr. Speaker, reserving the right to object, how many hours have we now set aside for special orders after the completion of the regular business on Tuesday?

Mr. MICHENER. Does the request of the gentleman from New York [Mr. DICKSTEIN] mean that he is to speak before we adjourn?

Mr. RAYBURN. Many of the gentlemen who have permission to address the House at 5:30 or 6 o'clock in the afternoon do not claim their time.

Mr. SNELL. I think we ought to have an understanding about that.

Mr. RAYBURN. On Tuesday there will probably be the conference report on the C. C. C., and following that there will be the nonmilitary War Department appropriation bill. I rather think these matters are going to take the day.

Mr. SNELL. I may suggest to the majority leader we ought to have an understanding that when we have an hour or 2 hours after the completion of the regular business of the day nothing new will be brought up, including unanimous-consent requests. If Members want to talk to the Members who may be here, all right, but the rest of us would not be obliged to stay.

Mr. RAYBURN. I may say to the gentleman that when the legislative program for today is over—and it is always over before these speeches begin—there will be no further legislation considered on that day.

Mr. SNELL. What about unanimous-consent requests for consideration of private bills or matters of that sort? Does the gentleman consider the entire work of the day to be over except for such speeches?

Mr. RAYBURN. I consider the entire legislative program of the day is over when such speeches begin.

Mr. SNELL. That is what I want to have a definite understanding about.

The SPEAKER. Does the gentleman from New York desire an answer to his parliamentary inquiry with respect to the time already granted for special orders?

Mr. SNELL. Yes, Mr. Speaker.

The SPEAKER. The Chair may state that prior orders have already been made for 1 hour of time after the completion of the legislative program on Tuesday.

Mr. SNELL. I am not going to object, Mr. Speaker.

Mr. MICHENER. Mr. Speaker, reserving the right to object, there will be no one here at that hour. Why cannot the gentlemen take 5 minutes if they want to get their remarks in the Record, and extend their remarks, and not punish the Speaker and the rest of the Members who may have to stay here?

Mr. DICKSTEIN. I am not going to punish the Members of the House after 5 o'clock, but if there is a break in the legislative program, I shall take the time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KELLER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, I am not going to burden the empty seats here after the business of the day is over by delivering a speech. I do not do it that way. I have spoken only a few times since coming into this House. I have never spoken yet unless I have given a great deal of care and attention to the preparation of the speech I intended to give. I am not going to do otherwise at the present time.

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I call the attention of the House to the fact that in the Record of June 8, instead of standing here and talking to the empty benches, I inserted an address which I think is worthy of attention. This is an address on income-tax dodging, which I delivered in this House on the 16th day of July 1932, in which I set out completely exactly the same things the Secretary of the Treasury communicated to the President, as stated in the President's message the other day.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 236

Resolved, That LEON SACK, of the State of Pennsylvania, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Patents.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 237

Resolved, That A. J. ELLIOTT, of the State of California, be, and he is hereby, elected a member of the standing committees of the House of Representatives on the Public Lands and Public Buildings and Grounds.

The resolution was agreed to.

OCCUPATIONAL EXCISE TAX ON MARIHUANA

Mr. DOUGHTON. I ask unanimous consent for the present consideration of the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, and notwithstanding the fact that my friend, REED, is in favor of it, is this a matter we should bring up at this late hour of the afternoon? I do not know anything about the bill. It may be all right and it may be that everyone is for it, but as a general principle, I am against bringing up any important legislation, and I suppose this is important, since it comes from the Ways and Means Committee, at this late hour of the day.

Mr. DOUGHTON. I may say to the distinguished gentleman from New York that we have a unanimous report from the committee on this bill and there is no objection, and while we would like to get it passed, if there is any objection, I shall not insist, of course.

Mr. SNELL. This is an illustration of the situation I was talking to the majority leader about a few moments ago. If we hold a session until late in the day and somebody brings up a piece of legislation, the average Member knows nothing about it, and while it is probably all right, it is hardly fair to take it up at that time.

Mr. RAYBURN. Mr. Speaker, if the gentleman will yield, I may say that the gentleman from North Carolina has stated to me that this bill has a unanimous report from the committee and that there is no controversy about it.

Mr. SNELL. What is the bill?

Mr. RAYBURN. It has something to do with something that is called marihuana. I believe it is a narcotic of some kind.

Mr. FRED M. VINSON. Marihuana is the same as hashish.

Mr. SNELL. Mr. Speaker, I am not going to object but I think it is wrong to consider legislation of this character at this time of night.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

Mr. Harlan with Mr. Cannon of Wisconsin.
 Mr. Maloney with Mr. Voorhis.
 Mr. Schuetz with Mr. Haines.
 Mr. Lewis of Maryland with Mr. Eberharter.
 Mr. Cravens with Mr. Sirovich.
 Mr. Miller with Mr. Scrugham.
 Mr. Bigelow with Mr. Celler.
 Mr. Ryan with Mr. Gildea.
 Mr. Keller with Mr. Gavagan.
 Mr. Pierce with Mr. Caldwell.
 Mr. Ramsay with Mr. Doxey.
 Mr. Creal with Mr. Greever.
 Mr. Thomas of Texas with Mr. Cooley.
 Mr. Owen with Mr. Cummings.
 Mr. Robinson of Utah with Mr. Jacobsen.
 Mr. Pace with Mr. Murdock of Utah.
 Mr. Ford of California with Mr. Smith of Washington.

Mr. IMHOFF and Mr. ALESHIRE changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA TAX BILL

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7472) to provide additional revenue for the District of Columbia, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, to be equally divided and controlled by the gentleman from Illinois [Mr. DIRKSEN] and myself.

The SPEAKER. The gentleman from Maryland moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7472.

Pending this motion, the gentleman from Maryland asks unanimous consent that general debate upon the bill may be limited to 2 hours, one-half to be controlled by himself and one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN]. Is there objection?

Mr. LAMNECK. Mr. Speaker, I object.

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7472) to provide additional revenue for the District of Columbia, and for other purposes.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. Is this the tax bill that the House refused to consider earlier in the day?

The SPEAKER. The bill that is now being called up is the bill which the House refused to consider earlier today.

The question is on the motion of the gentleman from Maryland.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 35, noes 114.

So the motion was rejected.

EXCISE TAX ON DEALERS IN MARIHUANA

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not know that there is any special objection, but I think the gentleman should explain the bill briefly to the House.

Mr. BUCK. Mr. Speaker, marihuana is a dangerous narcotic drug that is found in the resin extracted from the flowering tops, leaves, and seeds of the hemp plant. It is a drug used by the medical profession to a very limited extent, but its illicit use is extensive. We cannot regulate its use by bringing it under the Harrison Narcotics Act, because the Harrison Narcotics Act applies to drugs which are not grown in this country, while this plant, *Cannabis sativa* L., is

grown practically throughout the United States. Moreover, fiber from the stems, and the seeds are used commercially in a legitimate manner.

In this bill we have presented for the consideration of the Congress a combination of the Harrison Narcotics Act and the National Firearms Act. By it dealers in marihuana must be registered and an occupational tax will be levied on them. Further, a reasonable revenue-producing tax of \$1 an ounce is to be placed upon those transfers of marihuana which are legitimate and \$100 an ounce placed upon those which are illicit. The illicit dealings in marihuana consist principally in the sale of cigarettes into which the leaves and tops of the plant are manufactured. The growth of this trade in the last few years has been phenomenal. Some years ago it was only in the southwest part of the country where the plant was grown and sold at all, but today it grows wild in almost every State of the Union. The worst thing about this trade is not that hardened criminals use the drug to steel themselves for their operations but it is being peddled by itinerant dealers and peddlers throughout the country and sold to our high-school students, starting the young out as drug addicts. There is hardly anyone that appeared before our committee who was not horrified at the growth of the traffic and at its effects.

Mr. COOPER. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Tennessee.

Mr. COOPER. It is true that extensive hearings were held on this bill before the Ways and Means Committee and that the bill has been reported unanimously by the committee, there not being any opposition from any source to the passage of the bill?

Mr. BUCK. The gentleman is correct.

Mr. REED of New York. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. REED of New York. Mr. Speaker, the Congress from time to time has passed legislation to suppress the traffic in narcotics. This has been done with some measure of success by invoking the taxing power of the Federal Government. The bill, H. R. 6906, now before the House for consideration, has for its chief purpose the suppression and, if possible, the destruction of traffic in a deadly drug sold in the form of a cigarette. This new smoke is known by several names, but the name applied to it in this country is marihuana. This demoralizing dope is sold by a class of degenerate peddlers in dens, dives, and on the streets of cities throughout the country.

The most alarming aspect of this illicit traffic is the sale of marihuana cigarettes to the boys and girls, especially those of high-school age. The testimony given by experts shows that the use of the drug leads to insanity and crime.

I commend to every Member of the House a careful study of the hearings on this bill. I may add for the benefit of those who have not had time to read the testimony given to our committee that it was shown that in one city alone in the United States 125 out of 450 prisoners were addicted to the use of marihuana and that slightly less than one-half of the murders were committed by marihuana addicts. The statement was made before our committee that the major criminal in the United States is the drug addict, and that of all the offenses committed against the laws of this country, the narcotic addict is the most frequent offender.

A case was presented to us from California where "a man under the influence of marihuana actually decapitated his best friend and then, coming out of the effects of the drug, was as horrified as anyone over what he had done." Another case is recorded where "A young boy who had become addicted to smoking marihuana cigarettes, in a fit of frenzy because, as he stated while still under the marihuana influence, a number of people were trying to cut off his arms and legs, seized an ax and killed his father, mother, two brothers, and a sister, wiping out the entire family except himself." I mention these cases to illustrate the effects of this deadly drug.

This drug known as marihuana is found in the flowering tops, seeds, and leaves of Indian hemp. It is a plant that grows in practically all parts of the United States. Within

the last few years its cultivation for illicit purposes has increased rapidly and over a large area of the country. It is grown in the back yards of city lots and sold to peddlers, who make it into cigarettes, which they then retail to school children and to their adult victims.

The general use of cigarettes by all classes of society makes it easy for the drug peddler to foist the marihuana cigarette upon the unsuspecting boy and girl who think it smart to try something that promises a kick in it. The experts told our committee that 10 years ago there was little traffic in this country in marihuana except in parts of the Southwest. The record shows that traffic in this drug had so increased that in 1936 there were 338 seizures of this drug in 29 States. The State of Pennsylvania destroyed 200,000 pounds of this product.

There are 50 nations that recognize the seriousness of this evil traffic and each one has enacted a national law to combat it. The United States has no law with which to deal with the problem.

The Treasury Department assures the Ways and Means Committee that the enactment of the bill before us will enable the Government to stamp out the illicit traffic in this dangerous and deadly drug.

It is proposed to do this by using the taxing power of the Federal Government. The Treasury Department stated to the Ways and Means Committee that:

In accomplishing this general purpose two objectives should dictate the form of the proposed legislation: First, the development of a scheme of taxation which would raise revenue and which would also render virtually impossible the acquisition of marihuana by persons who would put it to illicit uses, without unduly interfering with the use of the plant for industrial, medical, and scientific purposes; and, second, the development of an adequate means of publicizing dealings in marihuana in order that the traffic may be effectively taxed and controlled.

The bill before the House is based upon the principles found in the Harrison Narcotics Act and the National Firearms Act, both of which have been sustained by the courts.

I am glad to support this bill for the reasons which I have stated. I have fought the traffic in narcotics for many years. I worked in close cooperation with the late Admiral Richmond P. Hobson, of Spanish War fame, who practically dedicated his life to this important work.

Every citizen interested in protecting society from crime, and in throwing the safeguards of Federal law around the youth of the land to save them from contact with this horrible and illicit traffic should be glad to cooperate with the Government to achieve these ends.

Mr. ROBSION of Kentucky. Mr. Speaker, reserving the right to object, of course, I am opposed to the use of the drug taken from the hemp, but is this bill so drawn that it will not interfere with or injure the production of hemp for commercial purposes in a legitimate way?

Mr. BUCK. This bill defines marihuana so that every legitimate use of hemp is protected.

Mr. ROBSION of Kentucky. The gentleman from Kentucky [Mr. FRED M. VINSON] is present. Kentucky is a hemp-producing State. I would like to have a statement from the gentleman from Kentucky [Mr. VINSON].

Mr. FRED M. VINSON. The industry was represented in the person of Mr. Lozier and it was agreed that the language in the bill took care of the industrial end of it. May I say, if the gentleman will permit, that the term "marihuana" refers to the same thing that we heard throughout the years termed "hashish."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to make just one observation. The other day when this bill was called up for consideration I reserved the right to object, at which time the majority leader moved that the House adjourn. I was only attempting to get an explanation of the bill at that time. I have no objection now, and I would not have had objection at that time if an explanation had been made. I am heartily in favor of the bill.

Mr. MEEKS. Is this substance that is called marihuana used in the manufacture of commercial articles for sale besides drugs and cigarettes?

Mr. BUCK. The fiber of the plant and the stem of the plant are used to manufacture twine. There are no poisonous materials contained in that fiber or stem. The poisonous material is contained in the flowering top and the leaves. That is what we define as marihuana in this bill, and that is what we propose to control.

Mr. MEEKS. It does not interfere with the manufacture of the fiber and the other elements of the stem?

Mr. BUCK. It will not.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when used in this act—

(a) The term "person" means an individual, a partnership, trust, association, company, or corporation and includes an officer or employee of a trust, association, company, or corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform any act in respect of which any violation of this act occurs.

(b) The term "marihuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resins; but shall not include the mature stalks of such plant, oil or cake made from the seeds of such plant, any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), oil, or cake, or the sterilized seed of such plant which is incapable of germination.

(c) The term "producer" means any person who (1) plants, cultivates, or in any way facilitates the natural growth of marihuana; or (2) harvests and transfers or makes use of marihuana.

(d) The term "Secretary" means the Secretary of the Treasury and the term "collector" means collector of internal revenue.

(e) The term "transfer" or "transferred" means any type of disposition resulting in a change of possession but shall not include a transfer to a common carrier for the purpose of transporting marihuana.

Sec. 2. (a) Every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, prescribes, administers, or gives away marihuana shall (1) within 15 days after the effective date of this act, or (2) before engaging after the expiration of such 15-day period in any of the above-mentioned activities, and (3) thereafter, on or before July 1 of each year, pay the following special taxes respectively:

(1) Importers, manufacturers, and compounders of marihuana, \$24 per year.

(2) Producers of marihuana (except those included within subdivision (4) of this subsection), \$5 per year.

(3) Physicians, dentists, veterinary surgeons, and other practitioners who distribute, dispense, give away, administer, or prescribe marihuana to patients upon whom they in the course of their professional practice are in attendance, \$1 per year of fraction thereof during which they engage in any of such activities.

(4) Any person not registered as an importer, manufacturer, producer, or compounder who obtains and uses marihuana in a laboratory for the purpose of research, instruction, or analysis, or who produces marihuana for any such purpose, \$1 per year or fraction thereof during which he engages in such activities.

(5) Any person who is not a physician, dentist, veterinary surgeon, or other practitioner and who deals in, dispenses, or gives away marihuana, \$3 per year: *Provided*, That any person who has registered and paid the special tax as an importer, manufacturer, compounder, or producer, as required by subdivisions (1) and (2) of this subsection, may deal in, dispense, or give away marihuana imported, manufactured, compounded, or produced by him without further payment of the tax imposed by this section.

(b) Where a tax under subdivision (1), (2), or (5) is payable on July 1 of any year, it shall be computed for 1 year; where any such tax is payable on any other day, it shall be computed proportionately from the first day of the month in which the liability for the tax accrued to the following July 1.

(c) In the event that any person subject to a tax imposed by this section engages in any of the activities enumerated in subsection (a) of this section at more than one place, such person shall pay the tax with respect to each such place.

(d) Except as otherwise provided, whenever more than one of the activities enumerated in subsection (a) of this section is carried on by the same person at the same time, such person shall pay the tax for each such activity according to the respective rates prescribed.

(e) Any person subject to the tax imposed by this section shall, upon payment of such tax, register his name or style and his place or places of business with the collector of the district in which such place or places of business are located.

(f) Collectors are authorized to furnish, upon written request, to any person a certified copy of the names of any or all persons who may be listed in their respective collection districts as special

taxpayers under this section, upon payment of a fee of \$1 for each 100 of such names or fraction thereof upon such copy so requested.

Sec. 3. (a) No employee of any person who has paid the special tax and registered, as required by section 2 of this act, acting within the scope of his employment, shall be required to register and pay such special tax.

(b) An officer or employee of the United States, any State, Territory, the District of Columbia, or insular possession, or political subdivision, who, in the exercise of his official duties, engages in any of the activities enumerated in section 2 of this act shall not be required to register or pay the special tax, but his right to this exemption shall be evidenced in such manner as the Secretary may by regulations prescribe.

Sec. 4. (a) It shall be unlawful for any person required to register and pay the special tax under the provisions of section 2 to import, manufacture, produce, compound, sell, deal in, dispense, distribute, prescribe, administer, or give away marihuana without having so registered and paid such tax.

(b) In any suit or proceeding to enforce the liability imposed by this section or section 2, if proof is made that marihuana was at any time growing upon land under the control of the defendant, such proof shall be presumptive evidence that at such time the defendant was a producer and liable under this section as well as under section 2.

Sec. 5. It shall be unlawful for any person who shall not have paid the special tax and registered, as required by section 2, to send, ship, carry, transport, or deliver any marihuana within any Territory, the District of Columbia, any insular possession, or the Canal Zone, or from any State, Territory, the District of Columbia, any insular possession of the United States, or the Canal Zone, into any other State, Territory, the District of Columbia, insular possession of the United States, or the Canal Zone: *Provided*, That nothing contained in this section shall apply to any common carrier engaged in transporting marihuana; or to any employee of any person who shall have registered and paid the special tax as required by section 2 while acting within the scope of his employment; or to any person who shall deliver marihuana which has been prescribed or dispensed by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, who has been employed to prescribe for the particular patient receiving such marihuana; or to any United States, State, county, municipal, District, Territorial, or insular officer or official acting within the scope of his official duties.

Sec. 6 (a) It shall be unlawful for any person, whether or not required to pay a special tax and register under section 2, to transfer marihuana, except in pursuance of a written order of the person to whom such marihuana is transferred, on a form to be issued in blank for that purpose by the Secretary.

(b) Subject to such regulations as the Secretary may prescribe, nothing contained in this section shall apply—

(1) To a transfer of marihuana to a patient by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, in the course of his professional practice only: *Provided*, That such physician, dentist, veterinary surgeon, or other practitioner shall keep a record of all such marihuana transferred, showing the amount transferred and the name and address of the patient to whom such marihuana is transferred, and such record shall be kept for a period of 2 years from the date of the transfer of such marihuana, and subject to inspection as provided in section 11.

(2) To a transfer of marihuana, made in good faith by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2: *Provided*, That such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, veterinary surgeon, or other practitioner who issues the same: *Provided further*, That such dealer shall preserve such prescription for a period of 2 years from the day on which such prescription is filled so as to be readily accessible for inspection by the officers, agents, employees, and officials mentioned in section 11.

(3) To the sale, exportation, shipment, or delivery of marihuana by any person within the United States, any Territory, the District of Columbia, any of the insular possessions of the United States or the Canal Zone, to any person in any foreign country regulating the entry of marihuana, if such sale, shipment, or delivery of marihuana is made in accordance with such regulations for importation into such foreign country as are prescribed by such foreign country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

(4) To a transfer of marihuana to any officer or employee of the United States Government or of any State, Territorial, District, county, or municipal or insular government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, the Public Health Service, and for Government, State, Territorial, District, county, or municipal or insular hospitals or prisons.

(5) To a transfer of any seeds of the plant *Cannabis sativa* L. to a person, registered as a producer under section 2, for use by such person for the further production of such plant, or to a person, registered under section 2 as a manufacturer, importer, or compounder, for use by such person for the manufacture of birdseed or for the manufacture of seed oil, seed cake, or any compound,

manufacture, salt, derivative, mixture, or preparation of such oil or cake.

(c) The Secretary shall cause suitable forms to be prepared for the purposes before mentioned and shall cause them to be distributed to collectors for sale. The price at which such forms shall be sold by said collectors shall be fixed by the Secretary, but shall not exceed 2 cents each. Whenever any collector shall sell any of such forms he shall cause the date of sale, the name and address of the proposed vendor, the name and address of the purchaser, and the amount of marihuana ordered to be plainly written or stamped thereon before delivering the same.

(d) Each such order form sold by a collector shall be prepared by him and shall include an original and two copies, any one of which shall be admissible in evidence as an original. The original and one copy shall be given by the collector to the purchaser thereof. The original shall in turn be given by the purchaser thereof to any person who shall, in pursuance thereof, transfer marihuana to him and shall be preserved by such person for a period of 2 years so as to be readily accessible for inspection by any officer, agent, or employee mentioned in section 11. The copy given to the purchaser by the collector shall be retained by the purchaser and preserved for a period of 2 years so as to be readily accessible to inspection by any officer, agent, or employee mentioned in section 11. The second copy shall be preserved in the records of the collector.

Sec. 7. (a) There shall be levied, collected, and paid upon all transfers of marihuana which are required by section 6 to be carried out in pursuance of written order forms taxes at the following rates:

(1) Upon each transfer to any person who has paid the special tax and registered under section 2 of this act, \$1 per ounce of marihuana or fraction thereof.

(2) Upon each transfer to any person who has not paid the special tax and registered under section 2 of this act, \$100 per ounce of marihuana or fraction thereof.

(b) Such tax shall be paid by the transferee at the time of securing each order form and shall be in addition to the price of such form. Such transferee shall be liable for the tax imposed by this section but in the event that the transfer is made in violation of section 6 without an order form and without payment of the transfer tax imposed by this section, the transferor shall also be liable for such tax.

(c) Payment of the tax herein provided shall be represented by appropriate stamps to be provided by the Secretary and said stamps shall be affixed by the collector or his representative to the original order form.

(d) All provisions of law relating to the engraving, issuance, sale, accountability, cancellation, and destruction of tax-paid stamps provided for in the internal-revenue laws shall, insofar as applicable and not inconsistent with this act, be extended and made to apply to stamps provided for in this section.

(e) All provisions of law (including penalties) applicable in respect of the taxes imposed by the act of December 17, 1914 (38 Stat. 785; U. S. C., 1934 ed., title 26, secs. 1040-1061, 1383-1391), as amended, shall, insofar as not inconsistent with this act, be applicable in respect of the taxes imposed by this act.

Sec. 8. (a) It shall be unlawful for any person who is a transferee required to pay the transfer tax imposed by section 7 to acquire or otherwise obtain any marihuana without having paid such tax; and proof that any person shall have had in his possession any marihuana and shall have failed, after reasonable notice and demand by the collector, to produce the order form required by section 6 to be retained by him, shall be presumptive evidence of guilt under this section and of liability for the tax imposed by section 7.

(b) No liability shall be imposed by virtue of this section upon any duly authorized officer of the Treasury Department engaged in the enforcement of this act or upon any duly authorized officer of any State, or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States, who shall be engaged in the enforcement of any law or municipal ordinance dealing with the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana.

Sec. 9. (a) Any marihuana which has been imported, manufactured, compounded, transferred, or produced in violation of any of the provisions of this act shall be subject to seizure and forfeiture and, except as inconsistent with the provisions of this act, all the provisions of internal-revenue laws relating to searches, seizures, and forfeitures are extended to include marihuana.

(b) Any marihuana which may be seized by the United States Government from any person or persons charged with any violation of this act shall upon conviction of the person or persons from whom seized be confiscated by and forfeited to the United States.

(c) Any marihuana seized or coming into the possession of the United States in the enforcement of this act, the owner or owners of which are unknown, shall be confiscated by and forfeited to the United States.

(d) The Secretary is hereby directed to destroy any marihuana confiscated by and forfeited to the United States under this section or to deliver such marihuana to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulations as may be prescribed by the Secretary.

Sec. 10. (a) Every person liable to any tax imposed by this act shall keep such books and records, render under oath such statements,

make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

(b) Any person who shall be registered under the provisions of section 2 in any internal-revenue district shall, whenever required so to do by the collector of the district, render to the collector a true and correct statement or return, verified by affidavits, setting forth the quantity of marihuana received or harvested by him during such period immediately preceding the demand of the collector, not exceeding 3 months, as the said collector may fix and determine. If such person is not solely a producer, he shall set forth in such statement or return the names of the persons from whom said marihuana was received, the quantity in each instance received from such persons, and the date when received.

SEC. 11. The order forms and copies thereof and the prescriptions and records required to be preserved under the provisions of section 6, and the statements or returns filed in the office of the collector of the district under the provisions of section 10 (b) shall be open to inspection by officers, agents, and employees of the Treasury Department duly authorized for that purpose, and such officers of any State, or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States as shall be charged with the enforcement of any law or municipal ordinance regulating the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana. Each collector shall be authorized to furnish, upon written request, copies of any of the said statements or returns filed in his office to any of such officials of any State or Territory, or political subdivision thereof, or the District of Columbia, or any insular possession of the United States as shall be entitled to inspect the said statements or returns filed in the office of the said collector, upon the payment of a fee of \$1 for each 100 words or fraction thereof in the copy or copies so requested.

SEC. 12. Any person who is convicted of a violation of any provision of this act shall be fined not more than \$2,000 or imprisoned not more than 5 years, or both, in the discretion of the court.

SEC. 13. It shall not be necessary to negative any exemptions set forth in this act in any complaint, information, indictment, or other writ or proceeding laid or brought under this act, and the burden of proof of any such exemption shall be upon the defendant. In the absence of the production of evidence by the defendant that he has complied with the provisions of section 2 relating to registration or that he has complied with the provisions of section 6 relating to order forms, he shall be presumed not to have complied with such provisions of such sections, as the case may be.

SEC. 14. The Secretary is authorized to make, prescribe, and publish all necessary rules and regulations for carrying out the provisions of this act and to confer or impose any of the rights, privileges, powers, and duties conferred or imposed upon him by this act upon such officers or employees of the Treasury Department as he shall designate or appoint.

SEC. 15. The provisions of this act shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the Canal Zone, and the insular possessions of the United States, except the Philippine Islands. In Puerto Rico the administration of this act, the collection of the special taxes and transfer taxes, and the issuance of the order forms provided for in section 6 shall be performed by the appropriate internal-revenue officers of that Government, and all revenues collected under this act in Puerto Rico shall accrue intact to the general Government thereof. The President is hereby authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone and the Virgin Islands the intent and purpose of this act by providing for the registration with appropriate officers and the imposition of the special and transfer taxes upon all persons in the Canal Zone and the Virgin Islands who import, manufacture, produce, compound, sell, deal in, dispense, prescribe, administer, or give away marihuana.

SEC. 16. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 17. This act shall take effect on the first day of the second month after the month during which it is enacted.

SEC. 18. This act may be cited as the "Marihuana Tax Act of 1937."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York, Mr. SNYDER of Pennsylvania, Mr. DIES, Mr. DIRKSEN, and Mr. MAHON of Texas asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. TEIGAN] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein

an editorial in the Philadelphia Record of Monday, June 14, 1937.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing an editorial from the United States Daily.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. McGROARTY] is recognized for 15 minutes.

THE TOWNSEND PLAN

Mr. McGROARTY. Mr. Speaker, my purpose in addressing the House this afternoon is to endeavor to clear up some confusion and misunderstanding which I am aware exists in the minds of Members of Congress regarding the so-called and once popularly styled old-age pension movement as the "Townsend plan."

It is well known in Congress and throughout the country that I was the first sponsor in Congress of this Townsend plan which, for a time, justly boasted of a vast following among the people, but which is now a complete and total wreck due, I believe, wholly to the erratic and dubious methods employed by the man whose name the movement bore.

When I came to Washington as a new Member of the Seventy-fourth Congress I felt that if I could help in any way to secure a Federal pension for the aged citizens of our country not otherwise provided for in national legislation, I would have performed a real service. I felt that the effort to achieve this desirable goal would be greatly speeded if there were an organized movement back of it. And I found that this was the case. In my home State of California and in every State of the Union there were thousands of Townsend Clubs, active and filled with the spirit of crusade, the memberships increasing by leaps and bounds until at last it loomed as the greatest movement in the political history of this Republic.

A GREAT ORGANIZER

This amazing achievement was the work of Robert E. Clements who ranks as perhaps the greatest organizer I have ever contacted in a somewhat long career both as a public official and a working journalist. The movement came to attain such political power and influence that no candidate for public office anywhere in the country could afford to ignore it.

In close touch with Clements during the heyday of the movement, I saw him forging ahead to the accomplishment of his objective, which was the election of a sufficient number of pledged Townsends to control the Congress. And I am here to tell you he was on his way. He had mapped the United States into congressional districts in which he was throwing Townsend Clubs hourly like a general throwing new armies into a battle. He was on his way to have in every congressional district in this country a balance of political power, if not a clear majority of the electorate. The result at which he aimed was to seat in this present Congress a bloc sufficiently strong in numbers to tie the Congress in a knot. To create a situation that would compel the Congress to bargain with the Townsends, or, if in the event of refusal, to find itself unable to turn a wheel.

And he certainly would have brought that very situation about had not happened a certain unexpected and unlooked for thing.

DR. TOWNSEND'S MONKEY WRENCH

The thing that happened was the sudden decision of Dr. Townsend himself to throw a monkey wrench into the Clements machinery. Able and efficient as Clements was, he made one fatal mistake—he overplayed Dr. Townsend. Clements had realized that the crusade must have an idol, a Peter the Hermit, a Richard of the Lion Heart. And here, to his hand, was an idol more perfect for the purpose than Peter and Richard put together. An old country doctor whose heart burned with love for all humanity. An old

Mr. Harlan with Mr. Cannon of Wisconsin.
 Mr. Maloney with Mr. Voorhis.
 Mr. Schuetz with Mr. Haines.
 Mr. Lewis of Maryland with Mr. Eberharter.
 Mr. Cravens with Mr. Sirovich.
 Mr. Miller with Mr. Scrugham.
 Mr. Bigelow with Mr. Celler.
 Mr. Ryan with Mr. Glides.
 Mr. Keller with Mr. Gavan.
 Mr. Pierce with Mr. Caldwell.
 Mr. Ramsay with Mr. Doxey.
 Mr. Creal with Mr. Greever.
 Mr. Thomas of Texas with Mr. Cooley.
 Mr. Owen with Mr. Cummings.
 Mr. Robinson of Utah with Mr. Jacobsen.
 Mr. Pace with Mr. Murdock of Utah.
 Mr. Ford of California with Mr. Smith of Washington.

Mr. IMHOFF and Mr. ALESHIRE changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA TAX BILL

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7472) to provide additional revenue for the District of Columbia, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, to be equally divided and controlled by the gentleman from Illinois [Mr. DIRKSEN] and myself.

The SPEAKER. The gentleman from Maryland moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7472.

Pending this motion, the gentleman from Maryland asks unanimous consent that general debate upon the bill may be limited to 2 hours, one-half to be controlled by himself and one-half to be controlled by the gentleman from Illinois [Mr. DIRKSEN]. Is there objection?

Mr. LAMNECK. Mr. Speaker, I object.

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7472) to provide additional revenue for the District of Columbia, and for other purposes.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. Is this the tax bill that the House refused to consider earlier in the day?

The SPEAKER. The bill that is now being called up is the bill which the House refused to consider earlier today.

The question is on the motion of the gentleman from Maryland.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 35, noes 114.

So the motion was rejected.

EXCISE TAX ON DEALERS IN MARIHUANA

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SNELL. Mr. Speaker, reserving the right to object, I do not know that there is any special objection, but I think the gentleman should explain the bill briefly to the House.

Mr. BUCK. Mr. Speaker, marihuana is a dangerous narcotic drug that is found in the resin extracted from the flowering tops, leaves, and seeds of the hemp plant. It is a drug used by the medical profession to a very limited extent, but its illicit use is extensive. We cannot regulate its use by bringing it under the Harrison Narcotics Act, because the Harrison Narcotics Act applies to drugs which are not grown in this country, while this plant, *Cannabis sativa* L., is

grown practically throughout the United States. Moreover, fiber from the stems, and the seeds are used commercially in a legitimate manner.

In this bill we have presented for the consideration of the Congress a combination of the Harrison Narcotics Act and the National Firearms Act. By it dealers in marihuana must be registered and an occupational tax will be levied on them. Further, a reasonable revenue-producing tax of \$1 an ounce is to be placed upon those transfers of marihuana which are legitimate and \$100 an ounce placed upon those which are illicit. The illicit dealings in marihuana consist principally in the sale of cigarettes into which the leaves and tops of the plant are manufactured. The growth of this trade in the last few years has been phenomenal. Some years ago it was only in the southwest part of the country where the plant was grown and sold at all, but today it grows wild in almost every State of the Union. The worst thing about this trade is not that hardened criminals use the drug to steel themselves for their operations but it is being peddled by itinerant dealers and peddlers throughout the country and sold to our high-school students, starting the young out as drug addicts. There is hardly anyone that appeared before our committee who was not horrified at the growth of the traffic and at its effects.

Mr. COOPER. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Tennessee.

Mr. COOPER. It is true that extensive hearings were held on this bill before the Ways and Means Committee and that the bill has been reported unanimously by the committee, there not being any opposition from any source to the passage of the bill?

Mr. BUCK. The gentleman is correct.

Mr. REED of New York. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. REED of New York. Mr. Speaker, the Congress from time to time has passed legislation to suppress the traffic in narcotics. This has been done with some measure of success by invoking the taxing power of the Federal Government. The bill, H. R. 6906, now before the House for consideration, has for its chief purpose the suppression and, if possible, the destruction of traffic in a deadly drug sold in the form of a cigarette. This new smoke is known by several names, but the name applied to it in this country is marihuana. This demoralizing dope is sold by a class of degenerate peddlers in dens, dives, and on the streets of cities throughout the country.

The most alarming aspect of this illicit traffic is the sale of marihuana cigarettes to the boys and girls, especially those of high-school age. The testimony given by experts shows that the use of the drug leads to insanity and crime.

I commend to every Member of the House a careful study of the hearings on this bill. I may add for the benefit of those who have not had time to read the testimony given to our committee that it was shown that in one city alone in the United States 125 out of 450 prisoners were addicted to the use of marihuana and that slightly less than one-half of the murders were committed by marihuana addicts. The statement was made before our committee that the major criminal in the United States is the drug addict, and that of all the offenses committed against the laws of this country, the narcotic addict is the most frequent offender.

A case was presented to us from California where "a man under the influence of marihuana actually decapitated his best friend and then, coming out of the effects of the drug, was as horrified as anyone over what he had done." Another case is recorded where "A young boy who had become addicted to smoking marihuana cigarettes, in a fit of frenzy because, as he stated while still under the marihuana influence, a number of people were trying to cut off his arms and legs, seized an ax and killed his father, mother, two brothers, and a sister, wiping out the entire family except himself." I mention these cases to illustrate the effects of this deadly drug.

This drug known as marihuana is found in the flowering tops, seeds, and leaves of Indian hemp. It is a plant that grows in practically all parts of the United States. Within

the last few years its cultivation for illicit purposes has increased rapidly and over a large area of the country. It is grown in the back yards of city lots and sold to peddlers, who make it into cigarettes, which they then retail to school children and to their adult victims.

The general use of cigarettes by all classes of society makes it easy for the drug peddler to foist the marihuana cigarette upon the unsuspecting boy and girl who think it smart to try something that promises a kick in it. The experts told our committee that 10 years ago there was little traffic in this country in marihuana except in parts of the Southwest. The record shows that traffic in this drug had so increased that in 1936 there were 338 seizures of this drug in 29 States. The State of Pennsylvania destroyed 200,000 pounds of this product.

There are 50 nations that recognize the seriousness of this evil traffic and each one has enacted a national law to combat it. The United States has no law with which to deal with the problem.

The Treasury Department assures the Ways and Means Committee that the enactment of the bill before us will enable the Government to stamp out the illicit traffic in this dangerous and deadly drug.

It is proposed to do this by using the taxing power of the Federal Government. The Treasury Department stated to the Ways and Means Committee that:

In accomplishing this general purpose two objectives should dictate the form of the proposed legislation: First, the development of a scheme of taxation which would raise revenue and which would also render virtually impossible the acquisition of marihuana by persons who would put it to illicit uses, without unduly interfering with the use of the plant for industrial, medical, and scientific purposes; and, second, the development of an adequate means of publicizing dealings in marihuana in order that the traffic may be effectively taxed and controlled.

The bill before the House is based upon the principles found in the Harrison Narcotics Act and the National Firearms Act, both of which have been sustained by the courts.

I am glad to support this bill for the reasons which I have stated. I have fought the traffic in narcotics for many years. I worked in close cooperation with the late Admiral Richmond P. Hobson, of Spanish War fame, who practically dedicated his life to this important work.

Every citizen interested in protecting society from crime, and in throwing the safeguards of Federal law around the youth of the land to save them from contact with this horrible and illicit traffic should be glad to cooperate with the Government to achieve these ends.

Mr. ROBSION of Kentucky. Mr. Speaker, reserving the right to object, of course, I am opposed to the use of the drug taken from the hemp, but is this bill so drawn that it will not interfere with or injure the production of hemp for commercial purposes in a legitimate way?

Mr. BUCK. This bill defines marihuana so that every legitimate use of hemp is protected.

Mr. ROBSION of Kentucky. The gentleman from Kentucky [Mr. FRED M. VINSON] is present. Kentucky is a hemp-producing State. I would like to have a statement from the gentleman from Kentucky [Mr. VINSON].

Mr. FRED M. VINSON. The industry was represented in the person of Mr. Lozier and it was agreed that the language in the bill took care of the industrial end of it. May I say, if the gentleman will permit, that the term "marihuana" refers to the same thing that we heard throughout the years termed "hashish."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to make just one observation. The other day when this bill was called up for consideration I reserved the right to object, at which time the majority leader moved that the House adjourn. I was only attempting to get an explanation of the bill at that time. I have no objection now, and I would not have had objection at that time if an explanation had been made. I am heartily in favor of the bill.

Mr. MEEKS. Is this substance that is called marihuana used in the manufacture of commercial articles for sale besides drugs and cigarettes?

Mr. BUCK. The fiber of the plant and the stem of the plant are used to manufacture twine. There are no poisonous materials contained in that fiber or stem. The poisonous material is contained in the flowering top and the leaves. That is what we define as marihuana in this bill, and that is what we propose to control.

Mr. MEEKS. It does not interfere with the manufacture of the fiber and the other elements of the stem?

Mr. BUCK. It will not.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when used in this act—

(a) The term "person" means an individual, a partnership, trust, association, company, or corporation and includes an officer or employee of a trust, association, company, or corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform any act in respect of which any violation of this act occurs.

(b) The term "marihuana" means all parts of the plant *Cannabis sativa L.*, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resins; but shall not include the mature stalks of such plant, oil or cake made from the seeds of such plant, any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), oil, or cake, or the sterilized seed of such plant which is incapable of germination.

(c) The term "producer" means any person who (1) plants, cultivates, or in any way facilitates the natural growth of marihuana; or (2) harvests and transfers or makes use of marihuana.

(d) The term "Secretary" means the Secretary of the Treasury and the term "collector" means collector of internal revenue.

(e) The term "transfer" or "transferred" means any type of disposition resulting in a change of possession but shall not include a transfer to a common carrier for the purpose of transporting marihuana.

SEC. 2. (a) Every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, prescribes, administers, or gives away marihuana shall (1) within 15 days after the effective date of this act, or (2) before engaging after the expiration of such 15-day period in any of the above-mentioned activities, and (3) thereafter, on or before July 1 of each year, pay the following special taxes respectively:

(1) Importers, manufacturers, and compounders of marihuana, \$24 per year.

(2) Producers of marihuana (except those included within subdivision (4) of this subsection), \$5 per year.

(3) Physicians, dentists, veterinary surgeons, and other practitioners who distribute, dispense, give away, administer, or prescribe marihuana to patients upon whom they in the course of their professional practice are in attendance, \$1 per year of fraction thereof during which they engage in any of such activities.

(4) Any person not registered as an importer, manufacturer, producer, or compounder who obtains and uses marihuana in a laboratory for the purpose of research, instruction, or analysis, or who produces marihuana for any such purpose, \$1 per year or fraction thereof during which he engages in such activities.

(5) Any person who is not a physician, dentist, veterinary surgeon, or other practitioner and who deals in, dispenses, or gives away marihuana, \$3 per year: *Provided*, That any person who has registered and paid the special tax as an importer, manufacturer, compounder, or producer, as required by subdivisions (1) and (2) of this subsection, may deal in, dispense, or give away marihuana imported, manufactured, compounded, or produced by him without further payment of the tax imposed by this section.

(b) Where a tax under subdivision (1), (2), or (5) is payable on July 1 of any year, it shall be computed for 1 year; where any such tax is payable on any other day, it shall be computed proportionately from the first day of the month in which the liability for the tax accrued to the following July 1.

(c) In the event that any person subject to a tax imposed by this section engages in any of the activities enumerated in subsection (a) of this section at more than one place, such person shall pay the tax with respect to each such place.

(d) Except as otherwise provided, whenever more than one of the activities enumerated in subsection (a) of this section is carried on by the same person at the same time, such person shall pay the tax for each such activity according to the respective rates prescribed.

(e) Any person subject to the tax imposed by this section shall, upon payment of such tax, register his name or style and his place or places of business with the collector of the district in which such place or places of business are located.

(f) Collectors are authorized to furnish, upon written request, to any person a certified copy of the names of any or all persons who may be listed in their respective collection districts as special

taxpayers under this section, upon payment of a fee of \$1 for each 100 of such names or fraction thereof upon such copy so requested.

Sec. 3. (a) No employee of any person who has paid the special tax and registered, as required by section 2 of this act, acting within the scope of his employment, shall be required to register and pay such special tax.

(b) An officer or employee of the United States, any State, Territory, the District of Columbia, or insular possession, or political subdivision, who, in the exercise of his official duties, engages in any of the activities enumerated in section 2 of this act shall not be required to register or pay the special tax, but his right to this exemption shall be evidenced in such manner as the Secretary may by regulations prescribe.

Sec. 4. (a) It shall be unlawful for any person required to register and pay the special tax under the provisions of section 2 to import, manufacture, produce, compound, sell, deal in, dispense, distribute, prescribe, administer, or give away marihuana without having so registered and paid such tax.

(b) In any suit or proceeding to enforce the liability imposed by this section or section 2, if proof is made that marihuana was at any time growing upon land under the control of the defendant, such proof shall be presumptive evidence that at such time the defendant was a producer and liable under this section as well as under section 2.

Sec. 5. It shall be unlawful for any person who shall not have paid the special tax and registered, as required by section 2, to send, ship, carry, transport, or deliver any marihuana within any Territory, the District of Columbia, any insular possession, or the Canal Zone, or from any State, Territory, the District of Columbia, any insular possession of the United States, or the Canal Zone, into any other State, Territory, the District of Columbia, insular possession of the United States, or the Canal Zone: *Provided*, That nothing contained in this section shall apply to any common carrier engaged in transporting marihuana; or to any employee of any person who shall have registered and paid the special tax as required by section 2 while acting within the scope of his employment; or to any person who shall deliver marihuana which has been prescribed or dispensed by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, who has been employed to prescribe for the particular patient receiving such marihuana; or to any United States, State, county, municipal, District, Territorial, or insular officer or official acting within the scope of his official duties.

Sec. 6 (a) It shall be unlawful for any person, whether or not required to pay a special tax and register under section 2, to transfer marihuana, except in pursuance of a written order of the person to whom such marihuana is transferred, on a form to be issued in blank for that purpose by the Secretary.

(b) Subject to such regulations as the Secretary may prescribe, nothing contained in this section shall apply—

(1) To a transfer of marihuana to a patient by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2, in the course of his professional practice only: *Provided*, That such physician, dentist, veterinary surgeon, or other practitioner shall keep a record of all such marihuana transferred, showing the amount transferred and the name and address of the patient to whom such marihuana is transferred, and such record shall be kept for a period of 2 years from the date of the transfer of such marihuana, and subject to inspection as provided in section 11.

(2) To a transfer of marihuana, made in good faith by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, veterinary surgeon, or other practitioner registered under section 2: *Provided*, That such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, veterinary surgeon, or other practitioner who issues the same: *Provided further*, That such dealer shall preserve such prescription for a period of 2 years from the day on which such prescription is filled so as to be readily accessible for inspection by the officers, agents, employees, and officials mentioned in section 11.

(3) To the sale, exportation, shipment, or delivery of marihuana by any person within the United States, any Territory, the District of Columbia, any of the insular possessions of the United States or the Canal Zone, to any person in any foreign country regulating the entry of marihuana, if such sale, shipment, or delivery of marihuana is made in accordance with such regulations for importation into such foreign country as are prescribed by such foreign country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

(4) To a transfer of marihuana to any officer or employee of the United States Government or of any State, Territorial, District, county, or municipal or insular government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, the Public Health Service, and for Government, State, Territorial, District, county, or municipal or insular hospitals or prisons.

(5) To a transfer of any seeds of the plant *Cannabis sativa* L. to a person, registered as a producer under section 2, for use by such person for the further production of such plant, or to a person, registered under section 2 as a manufacturer, importer, or compounder, for use by such person for the manufacture of birdseed or for the manufacture of seed oil, seed cake, or any compound,

manufacture, salt, derivative, mixture, or preparation of such oil or cake.

(c) The Secretary shall cause suitable forms to be prepared for the purposes before mentioned and shall cause them to be distributed to collectors for sale. The price at which such forms shall be sold by said collectors shall be fixed by the Secretary, but shall not exceed 2 cents each. Whenever any collector shall sell any of such forms he shall cause the date of sale, the name and address of the proposed vendor, the name and address of the purchaser, and the amount of marihuana ordered to be plainly written or stamped thereon before delivering the same.

(d) Each such order form sold by a collector shall be prepared by him and shall include an original and two copies, any one of which shall be admissible in evidence as an original. The original and one copy shall be given by the collector to the purchaser thereof. The original shall in turn be given by the purchaser thereof to any person who shall, in pursuance thereof, transfer marihuana to him and shall be preserved by such person for a period of 2 years so as to be readily accessible for inspection by any officer, agent, or employee mentioned in section 11. The copy given to the purchaser by the collector shall be retained by the purchaser and preserved for a period of 2 years so as to be readily accessible to inspection by any officer, agent, or employee mentioned in section 11. The second copy shall be preserved in the records of the collector.

Sec. 7. (a) There shall be levied, collected, and paid upon all transfers of marihuana which are required by section 6 to be carried out in pursuance of written order forms taxes at the following rates:

(1) Upon each transfer to any person who has paid the special tax and registered under section 2 of this act, \$1 per ounce of marihuana or fraction thereof.

(2) Upon each transfer to any person who has not paid the special tax and registered under section 2 of this act, \$100 per ounce of marihuana or fraction thereof.

(b) Such tax shall be paid by the transferee at the time of securing each order form and shall be in addition to the price of such form. Such transferee shall be liable for the tax imposed by this section but in the event that the transfer is made in violation of section 6 without an order form and without payment of the transfer tax imposed by this section, the transferor shall also be liable for such tax.

(c) Payment of the tax herein provided shall be represented by appropriate stamps to be provided by the Secretary and said stamps shall be affixed by the collector or his representative to the original order form.

(d) All provisions of law relating to the engraving, issuance, sale, accountability, cancellation, and destruction of tax-paid stamps provided for in the internal-revenue laws shall, insofar as applicable and not inconsistent with this act, be extended and made to apply to stamps provided for in this section.

(e) All provisions of law (including penalties) applicable in respect of the taxes imposed by the act of December 17, 1914 (38 Stat. 785; U. S. C., 1934 ed., title 26, secs. 1040-1061, 1383-1391), as amended, shall, insofar as not inconsistent with this act, be applicable in respect of the taxes imposed by this act.

Sec. 8. (a) It shall be unlawful for any person who is a transferee required to pay the transfer tax imposed by section 7 to acquire or otherwise obtain any marihuana without having paid such tax; and proof that any person shall have had in his possession any marihuana and shall have failed, after reasonable notice and demand by the collector, to produce the order form required by section 6 to be retained by him, shall be presumptive evidence of guilt under this section and of liability for the tax imposed by section 7.

(b) No liability shall be imposed by virtue of this section upon any duly authorized officer of the Treasury Department engaged in the enforcement of this act or upon any duly authorized officer of any State, or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States, who shall be engaged in the enforcement of any law or municipal ordinance dealing with the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana.

Sec. 9. (a) Any marihuana which has been imported, manufactured, compounded, transferred, or produced in violation of any of the provisions of this act shall be subject to seizure and forfeiture and, except as inconsistent with the provisions of this act, all the provisions of internal-revenue laws relating to searches, seizures, and forfeitures are extended to include marihuana.

(b) Any marihuana which may be seized by the United States Government from any person or persons charged with any violation of this act shall upon conviction of the person or persons from whom seized be confiscated by and forfeited to the United States.

(c) Any marihuana seized or coming into the possession of the United States in the enforcement of this act, the owner or owners of which are unknown, shall be confiscated by and forfeited to the United States.

(d) The Secretary is hereby directed to destroy any marihuana confiscated by and forfeited to the United States under this section or to deliver such marihuana to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulations as may be prescribed by the Secretary.

Sec. 10. (a) Every person liable to any tax imposed by this act shall keep such books and records, render under oath such statements,

make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

(b) Any person who shall be registered under the provisions of section 2 in any internal-revenue district shall, whenever required so to do by the collector of the district, render to the collector a true and correct statement or return, verified by affidavits, setting forth the quantity of marihuana received or harvested by him during such period immediately preceding the demand of the collector, not exceeding 3 months, as the said collector may fix and determine. If such person is not solely a producer, he shall set forth in such statement or return the names of the persons from whom said marihuana was received, the quantity in each instance received from such persons, and the date when received.

SEC. 11. The order forms and copies thereof and the prescriptions and records required to be preserved under the provisions of section 6, and the statements or returns filed in the office of the collector of the district under the provisions of section 10 (b) shall be open to inspection by officers, agents, and employees of the Treasury Department duly authorized for that purpose, and such officers of any State, or Territory, or of any political subdivision thereof, or the District of Columbia, or of any insular possession of the United States as shall be charged with the enforcement of any law or municipal ordinance regulating the production, sale, prescribing, dispensing, dealing in, or distributing of marihuana. Each collector shall be authorized to furnish, upon written request, copies of any of the said statements or returns filed in his office to any of such officials of any State or Territory, or political subdivision thereof, or the District of Columbia, or any insular possession of the United States as shall be entitled to inspect the said statements or returns filed in the office of the said collector, upon the payment of a fee of \$1 for each 100 words or fraction thereof in the copy or copies so requested.

SEC. 12. Any person who is convicted of a violation of any provision of this act shall be fined not more than \$2,000 or imprisoned not more than 5 years, or both, in the discretion of the court.

SEC. 13. It shall not be necessary to negative any exemptions set forth in this act in any complaint, information, indictment, or other writ or proceeding laid or brought under this act, and the burden of proof of any such exemption shall be upon the defendant. In the absence of the production of evidence by the defendant that he has complied with the provisions of section 2 relating to registration or that he has complied with the provisions of section 6 relating to order forms, he shall be presumed not to have complied with such provisions of such sections, as the case may be.

SEC. 14. The Secretary is authorized to make, prescribe, and publish all necessary rules and regulations for carrying out the provisions of this act and to confer or impose any of the rights, privileges, powers, and duties conferred or imposed upon him by this act upon such officers or employees of the Treasury Department as he shall designate or appoint.

SEC. 15. The provisions of this act shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the Canal Zone, and the insular possessions of the United States, except the Philippine Islands. In Puerto Rico the administration of this act, the collection of the special taxes and transfer taxes, and the issuance of the order forms provided for in section 6 shall be performed by the appropriate internal-revenue officers of that Government, and all revenues collected under this act in Puerto Rico shall accrue intact to the general Government thereof. The President is hereby authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone and the Virgin Islands the intent and purpose of this act by providing for the registration with appropriate officers and the imposition of the special and transfer taxes upon all persons in the Canal Zone and the Virgin Islands who import, manufacture, produce, compound, sell, deal in, dispense, prescribe, administer, or give away marihuana.

SEC. 16. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 17. This act shall take effect on the first day of the second month after the month during which it is enacted.

SEC. 18. This act may be cited as the "Marihuana Tax Act of 1937."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York, Mr. SNYDER of Pennsylvania, Mr. DIES, Mr. DIRKSEN, and Mr. MAHON of Texas asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. TRIGAN] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein

an editorial in the Philadelphia Record of Monday, June 14, 1937.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing an editorial from the United States Daily.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. McGROARTY] is recognized for 15 minutes.

THE TOWNSEND PLAN

Mr. McGROARTY. Mr. Speaker, my purpose in addressing the House this afternoon is to endeavor to clear up some confusion and misunderstanding which I am aware exists in the minds of Members of Congress regarding the so-called and once popular styled old-age pension movement as the "Townsend plan."

It is well known in Congress and throughout the country that I was the first sponsor in Congress of this Townsend plan which, for a time, justly boasted of a vast following among the people, but which is now a complete and total wreck due, I believe, wholly to the erratic and dubious methods employed by the man whose name the movement bore.

When I came to Washington as a new Member of the Seventy-fourth Congress I felt that if I could help in any way to secure a Federal pension for the aged citizens of our country not otherwise provided for in national legislation, I would have performed a real service. I felt that the effort to achieve this desirable goal would be greatly speeded if there were an organized movement back of it. And I found that this was the case. In my home State of California and in every State of the Union there were thousands of Townsend Clubs, active and filled with the spirit of crusade, the memberships increasing by leaps and bounds until at last it loomed as the greatest movement in the political history of this Republic.

A GREAT ORGANIZER

This amazing achievement was the work of Robert E. Clements who ranks as perhaps the greatest organizer I have ever contacted in a somewhat long career both as a public official and a working journalist. The movement came to attain such political power and influence that no candidate for public office anywhere in the country could afford to ignore it.

In close touch with Clements during the heyday of the movement, I saw him forging ahead to the accomplishment of his objective, which was the election of a sufficient number of pledged Townsendites to control the Congress. And I am here to tell you he was on his way. He had mapped the United States into congressional districts in which he was throwing Townsend Clubs hourly like a general throwing new armies into a battle. He was on his way to have in every congressional district in this country a balance of political power, if not a clear majority of the electorate. The result at which he aimed was to seat in this present Congress a bloc sufficiently strong in numbers to tie the Congress in a knot. To create a situation that would compel the Congress to bargain with the Townsendites, or, if in the event of refusal, to find itself unable to turn a wheel.

And he certainly would have brought that very situation about had not happened a certain unexpected and unlooked for thing.

DR. TOWNSEND'S MONKEY WRENCH

The thing that happened was the sudden decision of Dr. Townsend himself to throw a monkey wrench into the Clements machinery. Able and efficient as Clements was, he made one fatal mistake—he overplayed Dr. Townsend. Clements had realized that the crusade must have an idol, a Peter the Hermit, a Richard of the Lion Heart. And here, to his hand, was an idol more perfect for the purpose than Peter and Richard put together. An old country doctor whose heart burned with love for all humanity. An old

and courthouse site and building at Fourth and Chestnut Streets, Louisville, Ky., which was read, as follows:

Be it enacted, etc., That the proviso (45 Stat. 179), contained in section 1, title I, of the act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes", approved March 5, 1928, Public Law No. 93, Seventieth Congress (45 Stat. 162), requiring that the old post office and courthouse site and building at Fourth and Chestnut Streets, Louisville, Ky., shall not be sold for an amount less than \$2,500,000 is hereby repealed.

Mr. McKELLAR. Mr. President, may I ask the Senator from Kentucky to explain the bill just read, which provides for the sale of the post office at Louisville, Ky.?

Mr. BARKLEY. Mr. President, the bill authorizes the sale of the post-office building in the city of Louisville.

Mr. McKELLAR. The old post-office building.

Mr. BARKLEY. Yes; the old post-office building. The building, which has been vacant and unoccupied for the last 5 or 6 years, is located in the heart of the city. At the last session of Congress a bill was passed authorizing its sale but fixing a minimum price of \$2,500,000. Both departments concerned have reached the conclusion that they are not able at this time to dispose of the property at that minimum price. This bill authorizes them to enter into negotiations for the sale of the property at a price less than that previously fixed. The fact is, the passage of the bill is desired by the Department, and I think it ought to pass.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ATTENDANCE OF MARINE BAND AT GRAND ARMY ENCAMPMENT

The bill (H. R. 7641) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Madison, Wis., September 5 to 10, inclusive, 1937, was considered, ordered to a third reading, read the third time, and passed.

DECORATION OF SGT. FRED W. STOCKHAM, DECEASED

The joint resolution (S. J. Res. 153) providing for consideration of a recommendation for decoration of Sgt. Fred W. Stockham, deceased, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas on the nights of June 13-14, 1918, at Belleau Woods, Fred W. Stockham, deceased, formerly a gunnery sergeant, United States Marine Corps, in action involving actual conflict with the enemy, distinguished himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty; and

Whereas a citation citing said Fred W. Stockham for the extraordinary heroism displayed by him at such time was written but, through accident, was not published and is not recorded in the War Department; and

Whereas no decoration has been awarded to said Fred W. Stockham for the extraordinary heroism displayed by him at such time: Therefore be it

Resolved, etc., That any recommendation for decoration by the United States of America of Fred W. Stockham, deceased, formerly a gunnery sergeant, Ninety-sixth Company, Second Battalion, Sixth Division, United States Marine Corps, shall be considered and acted upon in the same manner as such recommendation would have been considered and acted upon if it had been pending on May 28, 1928.

The preamble was agreed to.

MARIHUANA EXCISE TAX

The Senate proceeded to consider the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording, which had been reported from the Committee on Finance, with amendments.

Mr. KING. Mr. President, may I inquire of the Senator from Michigan if all the provisions of this bill, which seem to be rather multitudinous, are necessary to deal with this simple, though perhaps very deleterious, drug?

Mr. BROWN of Michigan. Mr. President, there is no question that the Treasury Department feels that the

various regulations contained in the bill are necessary. The bill was considered by the Ways and Means Committee of the House of Representatives; it passed that body and then came before the subcommittee of the Senate Committee on Finance. Hearings were conducted; all those who were interested in the industrial production of marihuana were present, and a general agreement was reached to add two or three minor amendments. The only amendment of moment was that we reduced the tax on the producers from \$5 an acre to \$1 an acre. That is the only material difference between the bill as reported to the Senate and the bill as passed by the House.

Mr. KING. Let me inquire of the Senator whether only the one drug marihuana is involved in this bill?

Mr. BROWN of Michigan. That is the only drug covered by this bill.

Mr. KING. I have no objection to its passage.

The PRESIDING OFFICER. The amendments will be stated.

The first amendment reported by the Committee on Finance was, in section 1, paragraph (b), page 2, line 6, after the word "plant", to insert the words "fiber produced in such stalks"; in line 8, after the word "any", to insert "other"; in line 10, before the word "oil", to insert "fiber", so as to make the paragraph read:

(b) The term "marihuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin; but shall not include the mature stalks of such plant fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom) fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.

The amendments were agreed to.

The next amendment was, in section 2, paragraph 2, page 3, line 9, after the word "subsection", to strike out "\$5 per year" and insert "\$1 per year, or fraction thereof, during which they engage in such activity", so as to read:

Sec. 2. (a) Every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, prescribes, administers, or gives away marihuana shall (1) within 15 days after the effective date of this act, or (2) before engaging after the expiration of such 15-day period in any of the above-mentioned activities, and (3) thereafter, on or before July 1 of each year, pay the following special taxes respectively:

(1) Importers, manufacturers, and compounders of marihuana, \$24 per year.

(2) Producers of marihuana (except those included within subdivision (4) of this subsection), \$1 per year, or fraction thereof during which they engage in such activity.

The amendment was agreed to.

The next amendment was, in the same section, paragraph (b), page 4, line 7, after "(1)" to strike out "(2)," so as to read:

(b) Where a tax under subdivision (1) or (5) is payable on July 1 of any year it shall be computed for 1 year; where any such tax is payable on any other day it shall be computed proportionately from the first day of the month in which the liability for the tax accrued to the following July 1.

The amendment was agreed to.

The next amendment was, in section 5, page 6, line 10, after the name Columbia to insert "or"; in line 11, after the word "possession", to strike out "or the Canal Zone"; in line 14, after "Columbia", to insert "or"; and in line 15, after the words "United States", to strike out "or the Canal Zone", so as to read:

Sec. 5. It shall be unlawful for any person who shall not have paid the special tax and registered, as required by section 2, to send, ship, carry, transport, or deliver any marihuana within any Territory, the District of Columbia, or any insular possession, or from any State, Territory, the District of Columbia, any insular possession of the United States, or the Canal Zone, into any other State, Territory, the District of Columbia, or insular possession of the United States.

The amendment was agreed to.

The next amendment was, in the same section, paragraph (3), page 8, line 10, after "Columbia", to insert "or"; and in

line 11, after the words "United States", to strike out "or the Canal Zone", so as to read:

(3) To the sale, exportation, shipment, or delivery of marihuana by any person within the United States, any Territory, the District of Columbia, or any of the insular possessions of the United States, to any person in any foreign country regulating the entry of marihuana, if such sale, shipment, or delivery of marihuana is made in accordance with such regulations for importation into such foreign country as are prescribed by such foreign country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

The amendment was agreed to.

The next amendment was, in the same section, paragraph (5), page 8, line 26, after the word "to", to strike out "a person, registered as a producer under section 2, for use by such person for the further production of such plant, or to a person, registered under section 2 as a manufacturer, importer, or compounder, for use by such person for the manufacture of birdseed or for the manufacture of seed oil, seed cake, or any compound, manufacture, salt, derivative, mixture, or preparation of such oil or cake", and insert "any person registered under section 2"; so as to read:

(5) To a transfer of any seeds of the plant *Cannabis sativa* L. to any person registered under section 2.

The amendment was agreed to.

The next amendment was, in section 15, page 15, line 20, after the name "Hawaii", to strike out "the Canal Zone"; on page 16, line 5, after the word "the", to strike out "Canal Zone and the"; and in line 9, after the word "the", to strike out "Canal Zone and the"; so as to make the section read:

SEC. 15. The provisions of this act shall apply to the several States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, and the insular possessions of the United States, except the Philippine Islands. In Puerto Rico the administration of this act, the collection of the special taxes and transfer taxes, and the issuance of the order forms provided for in section 6 shall be performed by the appropriate internal-revenue officers of that government, and all revenues collected under this act in Puerto Rico shall accrue intact to the general government thereof. The President is hereby authorized and directed to issue such Executive orders as will carry into effect in the Virgin Islands the intent and purpose of this act by providing for the registration with appropriate officers and the imposition of the special and transfer taxes upon all persons in the Virgin Islands who import, manufacture, produce, compound, sell, deal in, dispense, prescribe, administer, or give away marihuana.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GEORGE R. SLATE

The bill (S. 2159) for the relief of George R. Slate was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers George R. Slate, who was a member of Company G, Third Regiment Virginia Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 2d day of July 1898, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

TRANSFER OF CERTAIN PROPERTY AT WEST POINT MILITARY RESERVATION

The bill (S. 2751) to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to make transfers to the jurisdiction and control of the Secretary of the Treasury of such portions of the property at present included within the West Point Military Reservation, N. Y., and upon such conditions as may be mutually agreed upon by the Secretary of War and the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized to construct within the limits of the property so transferred such building or buildings, appurtenances, and approaches thereto as he may deem

adequate and suitable for the use of the Treasury Department as a depository, and for use in carrying out any other functions or duties of the Treasury Department: *Provided*, That upon cessation of such use the premises or any part thereof so transferred shall revert to the jurisdiction of the War Department.

AMENDMENT TO BANKRUPTCY ACT

The Senate proceeded to consider the bill (S. 2215) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was read, as follows:

Be it enacted, etc., That section 75 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be further amended by amending subsection (c) to read as follows:

"(c) At any time after this section takes effect, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature, and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

Mr. McCARRAN. Mr. President, I offer an amendment to the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill, on page 2, after line 9, it is proposed to add two new sections, as follows:

SEC. 2. That section 75 of said act be further amended by amending paragraph 5 of subsection (s) to read as follows:

"This act shall be held to apply to all existing cases now pending in any Federal court, under this section, as well as to future cases. All cases under this section that have been dismissed by any conciliation commissioner, referee, or Federal court because such court erroneously assumed or held that subsection (s) of section 75 of this act was unconstitutional, shall be promptly reinstated, without any additional filing fees or charges. Any farm debtor who has filed under the General Bankruptcy Act may take advantage of this section upon written request to the court; and a previous discharge of the debtor under any other section of this act shall not be grounds for denying him the benefits of this section."

SEC. 3. That section 75 of said act be further amended by striking out and repealing paragraph 6 of subsection (s).

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

Mr. GUFFEY. Mr. President, I inquire if the amendment was submitted to the committee?

Mr. McCARRAN. The amendment was not submitted to the committee; but I may say to the Senator from Pennsylvania that it merely gives to those who, by reason of the original act being declared unconstitutional, fell outside the provisions of that act the benefit of the provisions of the act, it having since been held to be constitutional.

Mr. GUFFEY. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NAVIGATION FACILITIES ON COLUMBIA RIVER

The bill (S. 607) to authorize improvement of navigation facilities on the Columbia River, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause such alterations in existing bridges across the Columbia River at Cascade Locks and Hood River, Oreg., as will render navigation for ocean-going vessels in the pool formed by the Bonneville Dam reasonably free, easy, and unobstructed, and to reimburse the owners of said bridges for the actual cost of such alterations from appropriations heretofore or hereafter made for maintenance and improvement of rivers and harbors.

WABASH RIVER BRIDGE, LOCKPORT, IND.

The bill (H. R. 6636) granting the consent of Congress to the county of Carroll, in the State of Indiana, to construct, maintain, and operate a free highway bridge across

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Chair proceeded to announce the result.

Mr. DOCKWEILER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CARTER. Mr. Speaker, I demand a division.

The SPEAKER. The gentleman from California [Mr. DOCKWEILER] has submitted a parliamentary inquiry. It is possible to have a vote upon this. The gentleman from California [Mr. CARTER] demands a division.

The House divided; and there were—ayes 89, noes 39.

Mr. CARTER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from California makes the point of order that there is no quorum present. The Chair will count.

Mr. CARTER (interrupting the count). Mr. Speaker, I withdraw the point.

So the amendment was agreed to.

The SPEAKER. The gentleman from California withdraws the point of order. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 89 to the bill (H. R. 6958) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes, and agrees to the amendments of the House to the amendments of the Senate nos. 93 and 95, each with an amendment.

INTERIOR DEPARTMENT APPROPRIATION BILL—CONFERENCE REPORT

Mr. SCRUGHAM. Mr. Speaker, I call up the Senate amendment to the House amendments to the Senate amendments to the bill (H. R. 6958) making appropriations for the Department of the Interior for the fiscal year 1938, and ask unanimous consent that the two Senate amendments to the House amendments to the Senate amendments be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

Mr. TABER. Mr. Speaker, I reserve the right to object. Would the gentleman state what these amendments are?

Mr. SCRUGHAM. These are corrections to the total.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The SPEAKER. The Clerk will report the amendments. The Clerk read as follows:

Amendment no. 93: In lieu of the sum "\$9,150,000" proposed by the House of Representatives insert "\$9,850,000."
Amendment no. 95: In lieu of the sum "\$10,316,600" proposed by the House of Representatives insert "\$11,016,600."

Mr. SCRUGHAM. Mr. Speaker, I move that the House concur to the Senate amendments to the House amendments to the Senate amendments.

The motion was agreed to.

A motion to reconsider was laid on the table.

TAX ON MARIHUANA

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6906) to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill

H. R. 6906, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 2, line 6, after "plant", insert "fiber produced from such stalks."

Page 2, line 7, after "any", insert "other."

Page 2, line 9, after "therefrom", insert "fiber."

Page 3, line 9, strike out "\$5 per year" and insert "\$1 per year, or fraction thereof, during which they engage in such activity."

Page 4, line 6, strike out "(2)."

Page 6, line 11, strike out "or the Canal Zone."

Page 6, line 14, after "Columbia", insert "or."

Page 6, line 15, strike out "or the Canal Zone."

Page 8, line 11, strike out "or the Canal Zone."

Page 8, line 26, strike out all after "to" down to and including "cake" in line 6, on page 9, and insert "any person registered under section 2."

Page 15, line 16, strike out "the Canal Zone."

Page 16, line 1, strike out "Canal Zone and the."

Page 16, line 5, strike out "Canal Zone and the."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain these amendments?

Mr. DOUGHTON. There are only two amendments of any importance. The others are just matters of phraseology. One of those amendments reduces the occupational tax of those engaged in the production of the hempwort, marihuana, from \$5 to \$1, which is entirely satisfactory to the Treasury Department, which proposed this bill. The other is exemption of the Panama Canal Zone from the operation of the law. The Panama Canal Zone, as everyone knows, is under military control. The Department felt there was no reason why they should have any control over the operation of this law.

Mr. MARTIN of Massachusetts. Is there any opposition?

Mr. DOUGHTON. None at all. I have talked to Dr. CROWTHER about it.

Mr. JENKINS of Ohio. Will the gentleman yield to me?

Mr. DOUGHTON. I yield.

Mr. JENKINS of Ohio. My understanding is that the distinguished chairman of the Committee on Ways and Means [Mr. DOUGHTON] has communicated with Dr. CROWTHER, ranking member on the minority side, in the absence of the gentleman from Massachusetts [Mr. TREADWAY], and what the gentleman from North Carolina now proposes is in line with the agreement he had with the gentleman from New York [Mr. CROWTHER].

Mr. DOUGHTON. Entirely so.

Mr. JENKINS of Ohio. These three amendments, as I understand, are practically Territorial amendments, in which the departments are particularly interested, and it is upon their recommendation?

Mr. DOUGHTON. It is entirely satisfactory to them.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. FISH. Can the gentleman inform the House what the tax was in the original bill, what it proposed?

Mr. DOUGHTON. Five dollars, and it is reduced to \$1.

Mr. FISH. Now, is that correct?

Mr. FRED M. VINSON. If the gentleman will yield, originally it was \$25, and the House reduced it to \$5 per dealer, and then the Senate reduced it to \$1.

Mr. FISH. That is quite different. It has been reduced from \$25 to \$1. I think that is a great improvement.

Mr. DOUGHTON. But as we passed it in the House it was \$5.

Mr. FISH. In the bill originally it was \$25?

Mr. FRED M. VINSON. The original bill presented was \$25. After it came from the Ways and Means Committee it passed the House at \$5.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COCHRAN. I have a long telegram in reference to the bill as it passed the Senate, and one of the objections is to the effect that they felt the American Medical Association

should have been heard on this bill. As a matter of fact, the American Medical Association representatives appeared before the committee and were heard at length. Is that not true?

Mr. FRED M. VINSON. That is correct.

Mr. DOUGHTON. That is true.

Mr. FRED M. VINSON. Dr. Wharton, representing the American Medical Association, testified at length.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a speech made by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. I also ask unanimous consent, Mr. Speaker, to extend my remarks by including a statement made by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include certain facts I have worked out with reference to power rates.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEDERAL BUREAU OF INVESTIGATION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

FEDERAL CRIME DETECTION PAYS

Mr. RANDOLPH. Mr. Speaker, today the Federal Bureau of Investigation observes the twenty-ninth anniversary of its service to the citizens of the United States. On July 26, 1908, Attorney General Bonaparte issued an order placing the investigative matters arising in the Department of Justice under a chief examiner, and gradually the organization developed into the crime-fighting machine which today is known throughout the law-enforcement profession of the world. Sixteen years after its birth the Federal Bureau of Investigation was completely reorganized.

Under its new and outstanding Director, John Edgar Hoover, the qualifications of personnel were raised, the organization was placed upon a career basis, and working policies were adopted which, during the last decade, have allowed this Bureau to function in such a manner that it has gained the respect and confidence of all persons interested in the safety and welfare of the American public.

The value of any organization is measured by the service which it renders. The Federal Bureau of Investigation has always sought in every possible way to render every item of available service to our citizens directly and to them indirectly through their own representative law-enforcement agencies.

ENLARGED JURISDICTION

We can all remember the period when marauding gangs, highly organized, roamed from coast to coast, spreading terror among law-abiding citizens and exacting tremendous tolls from them. So many were the victims of these gangs and so heinous were their tortures, their murders, and their kidnappings that the people of the United States turned to Congress for assistance.

Congress was quick to give aid by the passage of a new Federal crime bill in 1932 making it an offense under the jurisdiction of the Federal Bureau of Investigation to transport a kidnaped person in interstate commerce. In rapid succession, in 1934, Congress passed more crime bills increas-

ing and strengthening the jurisdiction of the Federal Bureau of Investigation until it has investigative jurisdiction over all violations of Federal laws and matters in which the United States is or may be a party in interest, except those matters specifically assigned by congressional enactment or otherwise to other Federal agencies. It does not have investigative jurisdiction over violations of the counterfeiting, narcotic, customs and smuggling, postal, or immigration laws.

The types of cases which demand the attention of the Federal Bureau of Investigation include the following: Administrative investigations, admiralty law violations, anti-trust laws, applicants for positions, bank embezzlements in District of Columbia, bankruptcy frauds, bondsmen and sureties, bribery, claims against the United States, claims by the United States, condemnation proceedings, conspiracies, contempt of court, copyright violations, crimes on the high seas, crimes in Alaska, crimes in connection with Federal penal and correctional institutions, crimes on Indian reservations, crimes on Government reservations, destruction of Government property, espionage, extortion cases, Federal antiracketeering statute, Federal Kidnaping Act, Federal Reserve Bank Act, frauds against the Government, harboring of Federal fugitives, illegal wearing of service uniforms, impersonation of Federal officials, interstate transportation of explosives.

Also interstate flight to avoid prosecution or testifying in certain cases, intimidation of witnesses, international claims, killing or assaulting Federal officer, larceny from interstate shipments, location of escaped Federal prisoners, Migratory Bird Act, National Bank Act, National Motor Vehicle Theft Act, National Stolen Property Act, neutrality violations, obstruction of justice, peonage statutes, passports and visas, patent violations, parole and probation violations—Federal, perjury, personnel investigations, Red Cross violations, robbery of national banks, member banks of Federal Reserve System, and insured banks of the Federal Deposit Insurance Corporation; theft or embezzlement of Government property, treason, Veterans' Administration violations, and White Slave Traffic Act.

Prior to the passage by Congress of the now famous crime bills, enlarging the jurisdiction of the Federal Bureau of Investigation, it was not a Federal offense to kill a special agent of that organization, nor did these agents have the authority to carry firearms. The Federal Bureau of Investigation enthusiastically accepted the new responsibilities placed upon it and, with modern weapons and equipment, its young special agents met the challenge of the marauding gangs.

These young men, the vast majority of whom are lawyers or expert accountants, selected only after most thorough investigations as to their character and fitness, and then highly trained in the Bureau's own schools of crime detection, welcomed the opportunity to render a more important service directly to their fellow citizens.

Efficiently and fearlessly they performed their duties with an added vigor spelling success, which led to the downfall, one by one, of such kill-crazy criminals as John Dillinger, Harvey Bailey, "Pretty Boy" Floyd, "Baby Face" Nelson, "Machine Gun" Kelly, John Paul Chase, Russell Gibson, Harry Campbell, Alvin Karpis, Albert Bates, and the many other leaders of the terrorizing gangs.

Because of the sensational nature of such victories, some have gained the impression that the activities of these special agents are confined to such cases as kidnappings and Federal bank robberies. This is erroneous, since officials of the Federal Bureau of Investigation point out that only approximately 5 percent of their time is spent upon such cases. The remaining 95 percent of time is devoted to investigations of a more routine nature, which, nevertheless, in their social value and in the savings and safety resulting to law-abiding citizens, are of tremendous import.

INVESTIGATIVE ACCOMPLISHMENTS

Approximately 640 special agents assigned to 39 field divisions are subject to 24-hour duty at the call of the people. These field division offices, under the jurisdiction of a special agent in charge, are carefully located throughout the United